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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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THE EMERGENCY TARIFF AND ITS EFFECT ON TRADE

Department of Trade Publishes Some Interesting Figures

AGRICULTURE IS HIT

Duties Now Apply to Several Items Which Have Been on the Free List and Increases General

Ottawa.—The precise effect of the United States Emergency Tariff Act upon Canadian trade is, of course, impossible to foretell; but some light is thrown on it by a report upon the subject which is published in this week's bulletin of the Department of Trade and Commerce. This report presents the terms of the new American tariff which is now in effect and will continue for six months, as it bears upon Canadian trade, and in addition gives figures regarding Canadian exports to the United States, which are affected by the new duties.

The total value of Canadian exports, which come within the scope of the new duties is given as $167,230,678. The largest element is provided by agriculture, which will be most heavily hit, a number of items formerly on the free list being now subject to heavy duties, while increased duties have been imposed on other agricultural products of this country. The Emergency Tariff also enacts anti-dumping provisions, the enforcement of which may from time to time affect Canadian trade; and control over dye importations, originally a war measure, is continued.

Taking first the matter of most importance, the articles removed from the free list, the following are the rates of duty imposed in each case, together with the exports in quantities and value:

Corn or maize—Duty 15 cents per bushel of 56 pounds, exports, 8,616 bushels, valued at $16,692.

Fresh or frozen beef, veal, mutton, lamb and pork—Duty 2 cents per pound; exports, 430,142 cwt., $7,740,443.

Meats of all kinds, prepared or preserved, not otherwise provided for—25 per cent. ad valorem; exports, 35,802 cwt., $734,531.

Milk, fresh—2 cents per gallon; exports 1,508,618 gallons, $412,916.

Cream—5 cents per gallon; exports, 1,279,195 gallons, $1,987,461.

Milk, preserved or condensed or sterilized by heating or other processes, including weight of immediate coverings—2 cents per pound; exports, 14,919,288 pounds, $2,352,819.

Potatoes—25 cents per bushel of 60 lbs.; exports, 4,204,684 bushels, $8,328,862.

Cattle—30 per cent. ad valorem; exports 294,009 head, $21,232,551.

Sheep, one year old or over—$2 per head; sheep less than one year old, $1 per head; exports of both, 183,634 head; $1,700,992. (Cattle and sheep and other stock imported for breeding purposes are still admitted free of duty).

Wheat—35 cents per bushel; exports, 42,324,894 bushels, $91,442,298.

Wheat fllour and semolina—20 per cent. ad valaorem; exports 1,187,750 barrels, $12,023,090.

Wool, commonly known as clothing wool, including the hair of the camel, angora goat and alpaca, but not such wools as are commonly known as carpet wools—unwashed 15 cents per lb., washed, 30 cents per lb., scoured 45 cents per lb.; exports of al lthree classes, 7,128,065 pounds, $2,094,691.

In connection with this last item, there are provisions defining the three classes just mentioned and imposing additional duties up to 45 cents per pound, where the wool has been selected or manufactured in any degree.

There are also eight items on which the old duties have been raised and of which Canada sends exports to the United States. In these cases the changes in duties and the exports involved are as follows:

Sugars, syrups of cane juice and molasses, not above 75 degrees—The duty is increased from 71 cents to $1.16 per hundred pounds, while the additional duty for each additionall degree is raised from 26 to 40 cents per 1,000 pounds; exports 56,889,790 llbs., $9,999,566.

Molasses—The duty, when the test runs not more than 40 degree, is raised from 15 to 24 per cent.; from 40 to 56 degrees the additional duty per degree is raised from 2¼ to 3½ cents per pound, and above 56 degrees from 4½ to 7 cents per pound. The exports last year were 883,685 gallons, valued at $95,879.

Wrapper tobacco, and filler tobacco when mixed with more than 15 per cent. of wrapper tobacco, and all leaf tobacco the product of two or more countries, mixed together—If unstemmed, the duty is raised from $1,85 to $2.35 per pound; and if stemmed, from $2.50 to $3 per pound. The exports were 26,831 and the value $34,097.

Butter and substitutes—Duty raised from 2½ to 6 cents per pound; exports, 5,993,786 lbs., $3,156,951.

Cheese and substitutes—Duty raised from 20 to 23 per cent. ad valorem; exports 5,993,786 lbs., $3,156,951.

Cheese and substitutes—Duty raised from 20 to 23 per cent. ad valorem; exports 641,950 lbs., $184,883.

Beans, not speciallly provided for — Duty raised from 25 cents per bushel of sixty pounds to 2 cents per lb.; exports, 12,282 bushels, $53,704.

Flax seed—Duty raised from 20 to 30 cents per bushel of 56 lbs.; exports, 1,352,815 bushels, $3,490,128.

Apples—Duty raised from 10 to 30 cents per bushel; exports 48,107 barrels, $171,226.

Onions—Duty raised from 20 to 40 cents per bushel of 57 pounds; but the report does not mention any exports as having taken place last year.

PRIVATE CAPITAL MAY LINK P.G.E. TO E.D.B.C.

B. C. Government Is Not Likely to Extend North of Prince George

From Our Own Correspondent.

VANCOUVER.—Completion of the Pacific Great Eastern Railroad to Prince George is being rushed by the British Columbia government, and the new line is opening up a vast and rich area of the province's interior.

When the line reaches Prince George it will have a connection with the Grand Trunk Pacific main line from Edmonton to Prince Rupert. The original plans of the railroad when it was under private ownership called for the extension of the P.G.E. to Peace River where it would meet the E.D. and B.C. line from Edmonton.

It is understood now that the B.C. Government will not undertake the extension of the line into the Peace River block, but will encourage any attempt by private capital to open up the additional route. In this connection an event of particular significance is seen in the arrangements to extend the present line of the E.D. and B.C. fifteen miles to the B.C. border.

It is likely that the line will be built in the not far distant future especially if oil is found in commercial quantities at Peace River. In addition to private companies drilling for oil in Northern Alberta the province of British Columbia has its geologists hunting for oil in the northern part of B.C. near the Alberta border line.

THE FARMER'S OUTLOOK

A More Optimistic Feeling in the United States

American agricultural interests are hopeful of improvement in foreign demand for wheat, flour, pork, lard, cottonseed oil and other products. Extreme enthusiasm is not manifest, but there is a slow growth of confidence in a gradual increase in European buying.

In connection with the growing hopefulness as to export trade in its farm products, the Southwest recalls the statements made here by Bernard M. Baruch, who pointed out that with greater industrial activity the laborers of the Old World would be in a better position to buy more of their food products, and that, as industrial activity increases in Europe, the drift to farms would halt, thereby influencing foreign production of agricultural products in a manner favorable

TRUST COMPANY FIGURES

Mechanical Defect In Table Printed Last Week

In last week's issue a mechanical defect in the type forming the section of the large table on page 31 referring particularly to the financial position of the trust companies of Canada, threw the figures of the lower portion out of line with the titles of the companies, and thus misrepresented the position of a number of them.

Particular attention is called to the position of the Royal Trust Company, to which reference was made in an advertisement, and which was lined up with the figures of a much smaller company. The table referred to is reproduced this week on page five.

American Federation of Labor estimates unemployed in 210 cities 1,325,061, a decrease of 66,335 over March. Greater New York has 400,000 out of work.

READJUSTMENTS MUST STILL TAKE PLACE, SAYS GARY

The Cost of Living Is Lower and Wages Must Come Down

MANY WAIT TOO LONG

New Business Available When a Healthy Level Has Been Reached — Lower Wages Needed

The American people at present are not buying enough to supply themselves with the ordinary comforts of life although they have had the means to do so, said Judge Elbert H. Gary in his address before the annual meeting of the American Iron & Steel Institute of which he is president.

"This," said Judge Gary, "is because the great purchasing public has formed an opinion that there has not been consummated complete and proper readjustment of prices; and on account of failure to discriminate between different lines or departments of business the whole economic system has suffered."

General business throughout the United States has been slowly improving, continued Judge Gary, adding that on the whole the steel business is a little better this month than last.

He concluded: "There is an abundance of new business, with both ability and inclination to place it, waiting for further adjustments which will put costs of living, selling prices, wage rates and other general incomes on a relative parity. As usual many will wait too long."

In regard to the steel business, Judge Gary said further price reductions may be necessary before a restoration of normal conditions is brought about. However, present costs of some producers will not permit lower prices unless wages are reduced and with the exception of some exceptional cases, it would be unjust to reduce further wage rates until living costs are brought down. So far as practicable, added Judge Gary, all prices and wages should be reduced at about the same time so that all interested might be justly treated.

"Recently we have read of convictions for violations of the criminal law by certain business men. They had controlled selling prices and limited production to the injury of consumers. I am not familiar with the facts and do not know whether or not moral turpitude was charged. The men pleaded guilty and deserved punishment.

"And nearly every day for months we have read of strikers violently attacking men who had taken or were offering to fill the places made vacant. Indeed, it seems to be common to attempt by force to prevent operation of production plants or transportation lines. The freedom of men to work when and where they pleased has been interfered with. Many have been seriously injured and some killed.

Supply and Demand

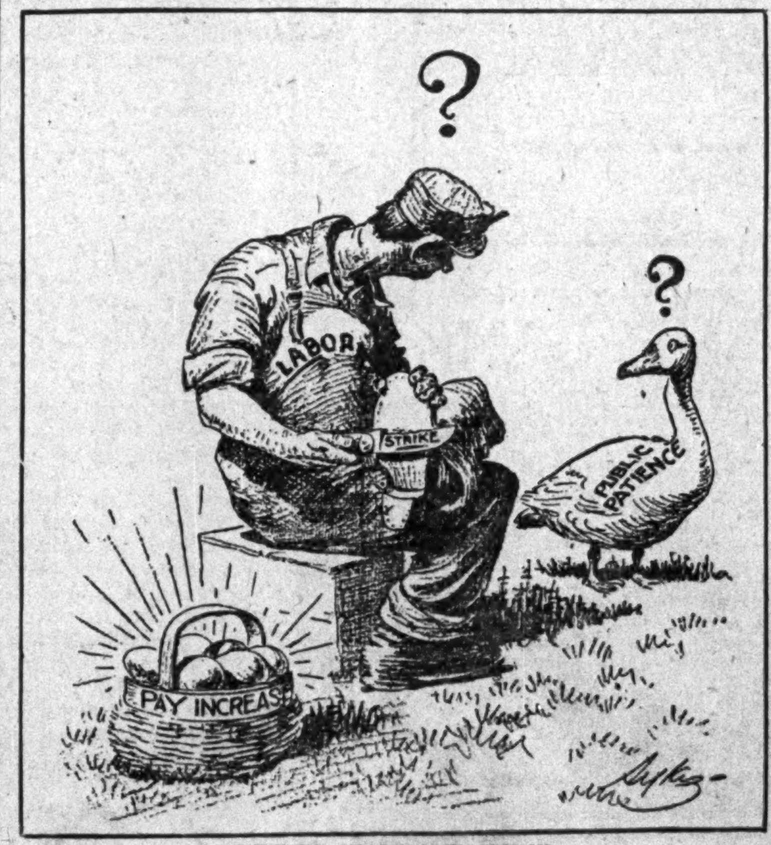
"If laws shall be enforced and peace maintained, the other questions relating to economic progress and achievement will be solved. The law of supply and demand will steadily, if gradually, bring about necessary adjustments which are equitable and relative, and restore levels which are natural and reasonable. Business will be more or less hesitating until it is generally believed the period of readjustments is over.

"If it should be deemed necessary and wise to have governmental supervision over organized industry in order to protect the public interest, I personally would not object, provided the laws and rules, shall apply alike to organized labor. Many years ago, at the request of a senatorial committee, I submitted the draft of a bill for consideration that seemed to me then to cover the case, but there was lack of time or disposition to give it immediate attention.

Administration Helping

"One of the most hopeful signs of the times is the apparent disposition of the present Administration at Washington to aid rather than obstruct the natural and legitimate progress of business. Any one who intentionally fails to appreciate this desire or neglects to co-operate to the limit of his ability is his own worst enemy.

"It is well known that at present, unless, and until wage rates are further decreased, the costs of many steel producers will not permit lower selling prices. This presents a serious problem. So far as practicable, all prices and rates should be adjusted at about the same time so that all interested might be justly and equitably treated. If a general relative basis has been or can be found then this should be maintained, whether it is high or low. All interests must receive the same consideration."



BETTER WAIT AND THINK

More Pay; Shorter Hours

This issue of THE FINANCIAL POST will be somewhat delayed in reaching its readers. This is because of the strike of union workers of the publishing houses and job printing plants in Toronto on June 1st. Practically every union worker of the MacLean Publishing Company and other important publishing houses quit work on the orders of International officials, issued from the United States.

A year age the printers were voluntarily given an increase of ten per cent, although the then existingagreement had a year to run.

Now, despite declining prices, lower cost of living, and economic depression, Union officials demand a reduction in time from 48 hours to 44 hours per week, and an increase in pay per hour of about 33 per cent.

The employers felt that under the prevailing economic conditions, the printing industry could not meet these demands.

Under the circumstances the future is somewhat uncertain, but the publishers of THE FINANCIAL POST expect to maintain the regular schedule of publication, even though there may be some further slight delays.

North Elated with Plans For New Light Railway

Ontario Government Is Co-operating With Private Interests

THAT IRON ORE FIND

Department of Mines is Not Paying Much Attention Despite Rosy Reports by Discoverers.

SUDBURY.—There is considerable jubilation in the North over the announcement that the Ontario Government has given its sanction to the project of private interests who will build light railways into several of the important mining camps. For no little time mining progress has been retarded by lack of transportation. Since Porcupine, it might be said that Kirkland Lake is the only camp that has seen much development. This in the main is due to the fact that the haul to the railway was short.

Gowganda, however, is an example of what the lack of railway means. This is an excellent silver camp with dozens of fine properties standing at various stages of development and but two going ahead. The unsurmountable object towards further progress has been the fact that it cost $1.00 to $1.50 per hundred pounds to take goods in from the railway. In Gowganda millions of dollars have been spent in the development of mines. It has been serious for many new companies, who went ahead with development, only to find that the high costs had depleted their treasury, and so they had to stand still and await the railway.

Right at the present time then the newly-projected light railway will be of the greatest benefit to Gowganda. In this regard there will be another benefit. It will come at a time when the silver production of the province is dwindling rapidly owing to the depletion of the Cobalt mines. Full steam ahead at Gowganda should put Ontario silver production figures up again materially. It is proposed to extend the new railway to open up two new gold camps, Fort Matachewan and Shining Tree.

So far there is but one property of anything like known merit at Matachewan. That is the Matachewan Gold Mines, managed by Thomas Flynn and financed by New York interests. Over $300,000 was spent in diamond drilling this property. The owners now know what they have and are awaiting a railway before they will go ahead with operations on a large scale.

Shining Tree has not as yet a producing mine, but there are two or three properties in there that are being rushed along and it is believed that before the summer is over a couple of small plants will be working. This is a camp of merit, injured to a certain extent by some of the earlier stock flotation.

Sudbury is Interested

As far as announced so far, it is the intention to make the light railway a feeder to the T. and N. O. and the proposal is to run the line to Shining Tree in from the east. No mention of a connection with the C.N.R. on the west is made, and the presumption is that it is not the intention to have one. This will divert a lot of trade from Sudbury, as this centre now supplies practically the full needs of Shining Tree.

The Rand Lake Asbestos deposit will be served as will also the newly-discovered iron ore camp, 14 miles from the Elk Lake branch of the T. and N. O. if it amounts to anything. The Department of Mines is not waxing enthusiastic over the find. In fact this body of ore was reported on in 1914 and the geologist, P. Hopkins, described the vein in matters of feet.

BUSINESS APATHY AFFECTS THE SALES TAXES FOR APRIL

Average Yield for 1920 Was $3,802,516 Per Month

ESTIMATE FOR 1921

Increased Percentage of New System Will Add 100 Per Cent. — Probable Total of $57,000,000

OTTAWA. — The result of the Sales Tax for the last month at the old rates were made public the other day by the Minister of Customs and Inland Revenue; and it is worth while to examine the returns for the eleven months in which it was in force. It is evident from this comparison that there has been a big falling off in the proceeds of this tax of late; and this fact suggests speculation as to what will be the results of the new tax in the year now current.

The revenue from the sales tax for April was $2,873,219, of which $2,186,649 was obtained from the tax on domestic trade and the balance on imports. The revenue from this tax reached its peak in October last, when it totalled $5,020,474; and with the exception of March it has been falling steadily since. The average figure for the ten months contained in the last fiscal year, which ended with March, was $3,802,516, so that the April returns are nearly a million below the average. The returns for March were $3,404,571, and this, though it was an exception from a general decline, was considerably below the average for the ten months during which the Sales Tax was in months during which the Sales Tax operation last year.

What do these figures suggest as to the fruitfulness of the Sales Tax was in operation last year.

What do these figures suggest as to the fruitfulness of the Sales Tax under the new scale of rates? The general result of the revision of these rates is that the tax on domestic sales has been increased fifty per cent; while the tax on importations has been increased by 100 to 150 per cent.. The old rates were one per cent. on all sales, except that sales by manufacturer to retailer or importations that were made direct by the retailer, paid two per cent. The new taxes are one and one-half per cent. on domestic, doubled for sales direct to retailers; while the taxes on importations are two and one-half on imports with four per cent on direct importations by retailers. Another fact that has to be taken into account is that last year imports supplied little more than one-quarter of the revenue obtained by the sales tax. The total revenue of the ten months was $38,025,164; of which $27,900,669 came from domestic sales.

Taking these two considerations into account, it would look as if the proceeds of the new taxes would not be underestimated, if it were assumed that the domestic taxes are increased by fifty per cent., and the taxes on imports by one hundred and fifty per cent. On this basis, taking the April figures as a starting point, you get the total revenue for eleven months under the new rates as $54,949,367; and adding the revenue for April under the old rates, the total Sales Tax revenue of the year would appear likely to approximatte $57,822,000.

That this figure is not likely to be an under-estimate will be realized, when it is recalled the decline in prices which has already greatly reduced the profitableness of the old tax will, in all probability, affect the new tax rates further in the same direction.

In order to have a comprehensive view of the tax revenue from manufacturing and commodity sales, the 1920 yield from the 1 per cent. manufactures tax—being approximately $21,698,000—should be added to the above $57,822,000, making a total minimum estimate of $79,422,000 for 1921.

Sir William Price, head of the Price Brothers' Company, ordered posted everywhere on the works at Jonquieres and Kenogami, the following notice:

"The Price Brothers' Company is not willing to tolerate any dictates from a foreign union. No international union will be admitted in the mills. Canadians will administrate their own business."

BANK ACCOUNTS ABROAD

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OF CANADA
Head Office: Montreal Established 1864
Paid-up Capital..$10,029,622 Total Deposits (Oct. 30, 1920), over $170,000,000
Reserve Fund .... 9,475,585 Total Assets (Oct. 30, 1920), over $[illegible]
President: SIR H. MONTAGU ALLAN, C.V.O.
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WAGES AND THEIR APPLICATION TO PRODUCTION COSTS

Indications Are That Unemployment Situation is Still Acute

OUTLOOK IN U. S.

Wage Deflation Must Precede Reduction in Costs of Production—Employers are Meeting Situation Squarely

Unemployment and its corollary, reduction of wages, are described in The Index, publsihed by the New York Trust Co., as the outstanding industrial news of the day. While there are no standardized systems of returns there is every indication that the situation is acute, and may not yet have reached its peak. Estimates it is pointed out, place the number of unemployed in the United States at from 3,000,000 to 6,000,000. The situation on the other side corresponds closely to that now existing in Canada and the following comments will be of interest:

Naturally, one of the first results of the unemployment situation has been an acceleration of the movement of wages toward a more normal level. The wage recession, of course, has actually been under way for a considerable period. Reductions ranging from 10 to 25 per cent. have been from time to time enforced in various industries. As these reductions were effected individually and were unaccompanied by spectacular incidents the extent of the recession over the entire industrial and commercial fields has probably not been fully realized.

U. S. Steel Sets Example

The wage reduction of 20 per cent. announced last month by the United States Steel Corporation serves to bring strikingly to public attention the widespread character of this movement. Although by policy and public utterances of its officials opposed to such action, the largest corporation in its field has found it necessary to bow to the inevitable and to take definite action to reduce the labor cost of its products. This action by the Steel Corporation is accepted as pivotal, inasmuch as it represents the determination of the country's principal manufacturing industry to get back to a normal wage basis; also, because it is expected to set the pace for other industries which have not squarely met the questions of wage readjustment. It is, in particular, expected to be helpful to the railroads in their effort toward deflation of wartime wages.

Illustrating the saving in production costs effected by the cut in steel workers' wages, it is figured on the basis of men employed last year that the reduction will amount to over $100,000,000 a year. Applied to costs per ton the saving is estimated to be from $5 to $8 on finished steel, which should ultimately be reflected in improvement in many lines of industry whose prosperity is more or less dependent upon lower priced steel.

Incidentally, the rate paid to common labor under the new basis will still be 95 per cent. above the prewar wage rate. This disarms possible criticism of the reduction as being overly drastic, or not tempered with consideration for the cost-of-living factor.

One of the hopeful signs, economically and industrially, is the spirit in which labor received the news of steel wage reductions. So far there has been nothing in the nature of an organized protest from the workers. This attitude is, no doubt, influenced by the fact that the steel industry has been operating recently at only about one-half normal capacity, and that the employees appear to recognize that they will have a better chance to improve their earnings through a move designed to reduce costs and thus stimulate business for the industry.

Unemployment is, of course, a world condition, but it now appears doubtful whether the situation is any less acute here than in other comparable countries. And this despite many post-war advantages which the United States enjoyed.

Various Causes Assigned

Various causes are assigned as the reasons for the present situation, some of them obvious, others less apparent. But there will be little disagreement with the contention that one of the causes of unemployment in the United States has been excessive production costs and the consequent slowing of trade and industry dependent upon American markets. Production costs have been excessive largely because of wage inflation. There must be wage deflation before these costs can attain a level which will invite the normal resumption of business. Employers realize this fact and are, at last, meeting the situation squarely.

There is evidence that the workers of the country also have been brought to a realization that wages must come down. Here, as in Great Britain, there are groups such as the miners and the railroad men, who still endeavor to persuade themselves that their industries are immune from the operation of economic laws upon labor rates. But the sentiment appears to be gaining among the great body of workers that readjustment of wages is inevitable, and there is a growing disposition to accept it as such.

With this sentiment obtaining, one of the necessary precedents to a solution of the unemployment problem already exists.

EFFORT TO AMEND B. E. STEEL CHARTER

A Determined Move Defeated by Legislative Council in Nova Scotia

From Our Own Correspondent.

HALIFAX.—R. E. Finn made a hard fight to amend the British Empire Steel Company's act, but while he carried his point in the House of Assembly the Legislative Council threw out the bill. He contended he was proposing a clause regulating the transfer and registration of shares which would safeguard the interests of the coal industry of Nova Scotia. But the Government and the more cautious looked askance at the amendment, which was opposed by representatives of the merger, and in the Upper House it met the fate that the opponents of the amendment expected it would. It was defeated. D. A. Cameron, the new representative of the Government in the Legislative Council, who had taken his seat only the day before, spoke strongly against Mr. Finn's amendment, as having a tendency to lessen confidence, and the vote against stood 6 to 2.

CLOSE-UP PICTURE OF RUSSIAN BOLSHEVISM

Beautiful in Theory But Vile in Operation, Says Member of British Mission

E. A. MacMillan, who was of the British railway mission sent to aid Admiral Kolchak in his ill-fated attempt to overthrow the Bolshevist forces in Russia, spent three months in a Russian jail and seven months in "open arrest" in Siberia. Mr. MacMillan describes Bolshevism as beautiful in theory and vile in operation. He says the Russian people wanted it and now know to their sorrow that they have it. Lenin and Trotsky honestly believe in the Bolshevist doctrine, he said, and think the troubles of the world are due to capitalism, but they are confronted with a realization that the farmers are the real capitalists of Russia and that, while the industrial structure of the nation has been destroyed, the farmers will raise only what they need.

Bolshevist rule has made it illegal to own property, illegal to buy or sell, illegal to do many things that are normal and necessary. Its continuance in Russia and at the same time a difficulty in overcoming it is due to the ignorance of the vast majority of the people and to lack of communication, the people in one community not knowing what is going on in another. More than 90 per cent. of the people cannot read or write, and transportation is a gruesome wreck. Modern democracy for the Russian people is not the answer. They're not ready for it.

He does not see an overthrow of Lenin's rule in the near future but thinks Lenin will modify his principles gradually to meet changing conditions.

Kolchak he describes as an incompetent reactionary. His forces were made up mainly of youths conscripted and who have no appreciation of why they are fighting, and who have no heart in the cause—if it might be termed a cause.

The whole scheme for the overthrow of the Bolshevist Government was visionary. Kolchak was supposed to break through from Siberia while Yudenitch advanced from the Baltic and Denikin from the South, but there was no cohesion or unity in the movements. Omsk was the Kolchak base. Upon the advance of the Bolshevist forces Kolchak's army began to disintegrate.

COULD BE WORSE.

(Forbes Magazine)

During these times when business is so bad and so many persons are uttering complaints, one may find comfort in the ancient story about the visitor to the hospital who said: "I think it's just wonderful to see you cheery with all those wounds on your head."

Wounded optimist: "Oh, well, miss, it's a very fine cheerin' thing to wake up of a mornin' and find that you've still got a 'ead to 'ave wounds on."

SAYS DECLINE IN RAW MATERIALS NOW AT AN END

Opinion of Vice President of National Bank of Commerce in N. Y.

FURTHER REVISIONS

Will Be Noted in Many Commodities But Manufacturers Can Now Make Purchases With Confidence

Recent increases in the wholesale prices of certain commodities do not indicate a new period of rising values, in the opinion of Herbert P. Howell, vice-president of the National Bank of Commerce in New York. They do, however, show that the violent general decline in raw materials is definitely at an end. Many individual commodities will show considerable further revisions, he believes, but the general movement has reached a level at which manufacturers may do business on the basis of their own requirements irrespective of the market prices of unrelated commodities.

"Of the 26 representative commodities quoted monthly by the National Bank of Commerce in New York in its magazine, Commerce Monthly," Mr. Howell points out: "sixteen showed increases in May over the preceding month, while four stood still and only six continued to decline.

"These increases must not be construed as indicating a new period of rising prices. Some of them are seasonal in character and others reflect a tendency toward stabilization on the part of commodities which in the general decline that began in the spring of 1920 may have fallen below a fair valuation. The increases are important, however, because they demonstrate that the process of liquidation has reached a point where raw materials are beginning to react to conditions in their own individual markets.

"Normally the price movement of every commodity is determined primarily by the status of its own market and that of commodities immediately related to it. Only in boom periods or during violent depressions are prices affected more by the general movement than by these individual factors. What has happened now is a return toward normal conditions. Henceforth, commodities may be expected to fluctuate in obedience to the influence of specific supply and demand.

"Many prices have stabilized. This does not mean that there will not be further declines. They may be expected in many lines, and commodities which have not yet been adjusted will receive no support from others that have reached a stable footing. In their decline they will not force down commodities in which deflation has already occurred.

"Index numbers have not yet disclosed the end of the general price changes in the market for raw materials, due to the fact that all such numbers in use contain quotations for a large number of commodities in fairly advanced stages of manufacture and in some cases ready for consumption. There is a considerable lag between declines in raw materials and in finished goods, and when quotations from these two groups are combined the declines in manufactured goods are sufficient to obscure the trend of basic material prices.

Gradual Decline Not Dangerous

"While the violent general decline in raw materials and related products is over, this does not preclude a slow decline for a period of years. Such a decline would be no menace to sound business. It is perfectly possible in such a period to carry on sound manufacturing and merchandising operations with profit. Gradually falling prices over a period of years would not materially affect the price movement of commodities over such periods as are usuallly necessary for these operations. The present generation of American business men has been unduly alarmed by the downward tendencies of prices. Rising prices are not necessary to prosperity and a slow downward movement is discouraging only to reckless speculative activities."

IRON AND STEEL MARKETS

Warehouses Report a Very Small Volume of Business

Trading has fallen off quite sharply in some sections of the iron, steel and machine tool market. Added to the general dullness of machine tool business, a number of firms are placing a quantity of used equipment on the market.

The steel market is getting along on a very small volume of business, some of the orders being for a few pounds of material. One warehause claims that during last week they received, among other things, twenty orders for sheets, and in the lot there were just twenty sheets. It is hard to imagine a warehouse business getting down to such small limits. It is making it expensive to do business, as it takes almost as much clerical work to attend to all these small orders, while delivery charges are burdensome on these. The trade is not looking for any quick revival of buying. They have this year seen several seasonable lines go past their appointed time for starting to move out, and from this they take it they are in for a poor season right through.

Pittsburg believes that conditions are about as low as they can get in the steel trade.

THE UNION BANK OF AUSTRALIA, LTD.
Established 1837. Incorporated 1880
CAPITAL—
AUTHORIZED AND ISSUED £7,500,000
Paid-up Capital....£2,500,000
Res. Fd., £2,570,000 Together £5,130,000
Res. Liab. of Proprietors.... 5,000,000
Total Capital and Reserve. £10,130,000
Head Office 71 Cornhill, London, E.C. 3
The Bank has 181 Branches, viz:
In Victoria 42
In New South Wales..... 38
In Queensland 19
In South Australia 14
In Western Australia 20
In Tasmania 8
And in NEW ZEALAND. 46
Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Incorporated 1855
Capital & Reserve $9,000,000
Over 130 Branches
THE MOLSONS BANK
Many commercial failures might be avoided if business men would discuss their difficulties with their bank manager. For this purpose the experience of The Molsons Bank is at your service.
EDWARD C. PRATT
General Manager

5% AND ABSOLUTE SECURITY
Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.
The Empire Loan Company
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on an
Attractive Basis
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HALIFAX, N.S. ST. JOHN, N.B.

Robert Cassels W. G. H. Browne
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318 Dominion Bank Building
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MONTREAL TORONTO HALIFAX

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Investment Bankers
Dealers in Government, Municipal and School Bonds.
We Specialize in Western Bond Issues
EDMONTON and CALGARY, ALBERTA

The Red Man's Heritage

THE rich resources of a continent slumbered undisturbed beneath the Red Man's sway.

It took the genius and the courage of the White Man to bring to fruition the Red Man's Heritage.

Yet to-day we have scarcely touched the surface of Canada's dormant wealth.

In the fuller development that is beginning, the humblest can share. Modern co-operative financing makes that possible.

Certain industrial securities, representing basic Canadian development, we can recommend as a *progressively profitable* investment. We will be glad to furnish full particulars of these on request.

Graham, Sanson & Co
LIMITED
INVESTMENT BANKERS
Members Toronto Stock Exchang
85 Bay Street TORONTO
37 James St. S. HAMILTON

Willys-Overland Company report for the year 1920 shows a deficit, after taxes, interest, depreciation and inventory adjustment, of $5,480,394, against a surplus of $1,735,268 in 1919.

N.S. TIMBER DEAL INVOLVING AREA OF $5,000 ACRES

Fraser Pulp and Lumber Co. Sells to N.S. Timberland Company

MILLS TO BE BUILT

But No More Lumber Will be Cut and Marketed Than Natural Growth Will Replace

From Our Own Correspondent.

HALIFAX.—One of the largest lumber deals consummated in Nova Scotia has just been put through by the sale of 50,000 acres of timber areas in Digby and Yarmouth, embraced in the Tusket River watershed. The property was owned by the Fraser Pulp and Lumber Co. of New Brunswick and the price paid is $250,000, an average of $5 per acre. The selling company is not to be confused with Frasers, Ltd., a large lumber concern in New Brunswick and Quebec, who were simply the holding company of the Fraser Pulp and Lumber Co. of New Brunswick.

The negotiations for this transaction have been going on for almost a year and have been carried through by R. P. Bell, of this city, who will also be identified with the operation of the property. The property has been idle for about twelve years and the starting of cutting and shipping, which cannot be for a year or so yet, will be a boon to that part of the province.

The purchasing company, which was organized for the purpose of taking over the property, is the Nova Scotia Timberland Co., Ltd., with a capital of $500,000. The timber areas were once in the hands of Dickie & McGrath, and passed into the possession of the bank when Alfred Dickie had to give up. The bank's claims were very large. At the same time also extensive areas in the eastern part of the province, belonging also to Dickie, were taken over by the bank for advances made. The bank held the areas for seven years and then sold to Fraser Pulp and Lumber Co., who have held them for the past five years and still hold the eastern areas, which are on a larger scale than those in the west in the Tusket River basin, now sold to the new company.

The property will have to be equipped with mills before it can be effectively operated by the new owners. There was a mill at the mouth of the Tusket River but this will have to be rebuilt almost completely and thoroughly modernized, and other facilities created. There are definite markets in view for the output of the new company's activities and Mr. Bell says that this market will be of a permanent and steady character, taking the output with regularity and constantly. The company proposes a policy of conservation and will not cut more lumber than the natural growth can replace from year to year. Two fire cruisers and a number of woodsmen have been placed on the property to guard against fire and a survey will be made on modern and scientific lines.

These timber lands changing hands show how the few remaining properties in Nova Scotia are being picked up and getting into strong hands. Even though the lumber business is dull at present capitalists see a good future. When the bank (the Royal) took these properties over from Alfred Dickie twelve years ago people thought the bank was in for a heavy loss in having vast areas of timber lands on their hands, but time went on and the bank got its money back and probably some more and a vigorous operation is in prospect which will work out for the benefit of the province and its industrial life.

PRICE BROTHERS & COMPANY
LIMITED

Balance Sheet at 28th February, 1921

LIABILITIES AND CAPITAL:

Current:		
Bank Loan (Secured)	$ 1,308,000.00	
Accounts Payable: (Including Balance Due on Account of Purchase of Properties)	2,309,275.36	
Interest Accrued on Bonds and Serial Notes	83,966.94	
Pay Roll and Other Charges Accrued	78,941.00	
		$ 3,780,183.30
Contingent Accounts:		
Reserve against Paper and Lumber Shipments		100,382.01
Six Per Cent Collateral Trust Serial Notes		100,000.00
Five Per Cent First Mortgage Bonds: AUTHORIZED	$ 6,000,000.00	
ISSUED	$ 5,999,529.34	
DEDUCT: Bonds Redeemed	1,021,513.32	
		4,978,016.02
Reserves:		
General Depreciation	$ 221,311 00	
Insurance	164,500.00	
Employees Pensions	154,388.28	
Sinking Fund (First Mortgage Bonds)	169,458.30	
Estimated Unassessed Dominion Government Taxes	383,278.64	
		1,092,936.22
Capital Stock:		
AUTHORIZED: 600,000 Shares of $100.00 each	$60,000,000.00	
ISSUED: 426,832 Shares of $100.00 each, fully paid		42,683,200.00
Profit and Loss Account		651,991.93
		$53,386,709.48

Note:—Contingent Liability in respect of Bills under Discount. $235,487.55

ASSETS:

Current:			
Cash on Hand and in Bank	$ 144,074.72		
Treasury Bills and Deposit in London	1,166,579.46		
		$1,310,654.18	
Accounts and Bills Receivable, less Provision for Bad and Doubtful Debts		1,133,288.26	
Inventories of Paper and Lumber (Manufactured and Partly Manufactured) Raw Materials, Stores, Supplies, etc., less Reserve		4,308,254.71	
Advances on Account of Logging Season 1920-1921		842,946.76	
			$ 7,595,143.91
Sundry Investments			157,625.00
Fixed:			
Real Estate, Freehold and Leasehold Timber Limits (over 8,600 square miles), Water Powers (developed and undeveloped), Mills and Milling Plants, Tools, Equipment, etc			45,497,017.86
Deferred Charges to Operations: (Insurance, Taxes, etc)			136,922.17
			$53,386,709.48

Approved on behalf of the Board:

WM. PRICE, Director
J. LEONARD APEDAILE, Director

TO THE SHAREHOLDERS:

We have examined the Books and Accounts of Price Brothers & Company, Limited, for the four months ended 28th February, 1921, and in accordance with Section 1. Clause 6030d (2) of the Companies' Act (1920) of the Province of Quebec, we report that we have obtained all the information and explanations we have required.

The Inventories have been certified to us by responsible Officials of the Company.

We further report that in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 28th February, 1921, according to the best of our information and the explanations given to us and as shown by the books of the Company.

CREAK, CUSHING & HODGSON } Chartered Accountants
GEORGE A. TOUCHE & CO. } Auditors

Dated at Montreal 7th May, 1921.

PROFIT AND LOSS ACCOUNT:
For Four Months Ended 28th February, 1921

By Profit from Trading Account		$ 1,135,449.69
To Bond Interest and Sinking Fund Requirements:		
Bond Interest	$ 82,966.94	
Sinking Fund	57,025.22	
		$ 139,992.16
" Interest on Serial Notes		2,000.00
" Dividends Paid		341,465.60
" Balance, per Balance Sheet		651,991.93
		$ 1,135,449.69

DECLINE VOTED IN PURCHASING POWER

April Exports From United States Less Than Half a Year Ago

The decline in world purchasing power is now being seriously felt by American manufacturers. Their total exports in the month of April, says a statement by the National City Bank of New York, were only $171,000,000 as against $352,000,000 in the same month of last year and March was as bad, having totaled only $190,000,000 against $390,000,000 in March of the preceding year. February was not as bad as March or April, the total for that month being $264,000,000 against $310,000,000 in February of last year, while January, 1921, showed an actual increase over January, 1920. It is in the last three months that the sudden and startling fall off in our exports of manufactures occurs. January exports were, in fact, 24 per cent. larger than those of January of the preceding year; February showed a decline of 15 per cent.; March a fall of 51 per cent. and April a like fall, of 51 per cent., in the value of manufactures exported as compared with the corresponding month of the preceding year.

These figures, adds the bank's statement, of course, relate to values only. Doubtless a considerable proportion of the decline, perhaps as much as one-half, occurs as a result of a fall in prices of the articles exported. Unbleached cotton cloths, for example, were exported at 10c a yard in March, 1921, as compared with 22c in the same month of last year and bleached cotton 10c a yard against 25c in March one year earlier; sole leather went at 40c per pound in March, 1921, against 57c in March, 1920, and goat and kid "uppers" at 35c a pound against 76c in March of last year, while men's boots were exported at an average price of $2.75 per pair in March, 1921, as against $5 per pair in March, 1920.

Automobiles, chemicals, cotton manufactures and rubber manufactures show the biggest decline in exports when measured by prices, the fall off in value of automobiles exported in March, the latest month for which details are available, being 78 per cent., the total in that month having been only $6,314,000 against $29,027,000 in the same month of the preceding year, these figures including automobiles and parts thereof. In number, the passenger cars exported showed a total of but 2,019 as against 14,005 in the same month of 1920.

MANY DRILLING OUTFITS GOING TO OIL FIELDS

Some Fifteen Rigs Are Already on Their Way in

IMPERIAL IS ACTIVE

Three New Drills in Addition to Two Already Operating —Other Companies' Plans

From Our Own Correspondent.

EDMONTON. — Some fifteen drilling rigs for work in the Mackenzie oil fields are already on the way north or in transit to Edmonton, and it is expected that the greater number of them will be in actual operation this season. Several new development companies, in addition to the Imperial Oil Company, the pioneers in the field, will be at work and have organized prospecting and drilling expeditions on a scale that is taken to mean business.

The Imperial Company will have three new drills in addition to the two already in the field. These will be located in the vicinity of its No. 1 well below Fort Norman, with one likely on the opposite side of the river. T. A. Link, the company's geologist, is now on his way north to select new drilling sites and to carry on a further prospecting program during the summer. The Imperial well at Windy Point, on Great Slave Lake, will also be drilled to greater depth.

A close second to the Imperial Company, if its plans work out, will be the Northwestern Oil Company, of Montreal, which has sent in drilling equipment and casing sufficient for five wells. Of these four will be in the Great Slave Lake field and one at Fort Norman. The company, which is headed by W. W. Butler, of the Canadian Car and Foundry Company, and Senator N. Curry, has 11,000 acres of claims in the two fields and proposes to carry on active development at several different points. Major H. J. McCrimmon is in charge of the field operations.

Sending In Three Rigs

The Mackenzie River Oil Company, of which C. Millar, of Toronto, is president, is sending three rigs into the Fort Norman field, and A. H. Low has already gone in with a well equipped party to do the necessary geological work before the wells can be sunk. He will stay in the north all through the next winter, and an even larger program is proposed for the following year. E. W. Backus, the pulp and paper king, and R. J. Fleming, of the Toronto Street Railway, are directors of the Mackenzie River Company.

Drilling equipment for the Fort Norman Oil Co., of Toronto, has also gone forward, and two wells will be sunk this summer in the near vicinity of the initial Imperial well. This is the company of which Joseph M. Aitken, of London, is president, and it has been financed in part, it is understood, with British capital. It has 3,268 acres of oil leases in the Fort Norman and Great Slave Lake fields, but will concentrate for this year's operations on its farther north holdings.

Several other smaller development enterprises are on the list, with one or two drilling outfits each, and it is expected that some of these will get into action during the summer.

Old Leasing Regulations

It is significant that all the drilling operations in line for the present season will be on leases secured under the old regulations, before the government imposed the restrictions and reservations that now make it unlikely, it is claimed, for further leasing to be ventured on any extensive scale. Enough territory is included within the areas covered by the several companies above named, however, to prove the region fairly well, and its operation will be under the original terms, which are considerably more generous than those now in force.

Investments of both American and British capital in the northern oil game are looked for in increasing measure as the work of proving the field progresses. A. C. M. Anderson, of the Anderson-Brown Consolidated Company, of Edmonton, has returned from a trip to England, where he has been talking oil possibilities to some of the most likely investors, and reports not only much interest in the Mackenzie prospects but the definite assurance that British money will in due course be coming over for investment. The financial market in the Old Country, however, is at present so badly involved that it is not thought that many of the likely investors there will be in a position to take a hand in the northern oil industry this year.

Judge Gary denies story appearing in Berlin Deutsche Tagezeitung that U. S. Steel Corporation contemplates entering world combine with German Krupp and Stinnes interests.

Keep Yourself Informed

OUR Monthly Commercial Letter reviews the financial and trade conditions throughout Canada, with which our widespread branch system enables us to keep in close touch.

We shall be glad to mail this to you regularly, without charge, upon request. 603

THE CANADIAN BANK OF COMMERCE
Capital Paid up $15,000,000
Reserve Fund $15,000,000

A Message To Canadians

ONLY by increasing the sale of Canadian commodities can we avoid increasing our foreign indebtedness.
Never, even in war time, was it so essential to increase our exports.

The Royal Bank of Canada
Total Resources - - - - $550,000,000
730 Branches
No. 1

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ELEVEN OFFICES IN TORONTO (S-11)

Union Bank of Canada

DIVIDEND No. 137

Notice is hereby given that a dividend at the rate of 10 per cent. per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House, in the City of Winnipeg, and also at its branches, on and after Wednesday, the first day of June, 1921, to shareholders of record at the close of business on the 16th day of May next.

The Transfer Books will be closed from the 17th to the 81st day of May, both days inclusive.

By order of the Board.

H. B. SHAW,
General Manager.

Winnipeg, April 19, 1921.

The Bank of Nova Scotia

Established 1832
Capital ....$ 9,700,000
Reserve Fund 18,000,000
Total Assets 230,000,000
GENERAL OFFICE - TORONTO, ONT.
H. A. Richardson, General Manager.

Branches at all the principal centres throughout Canada and in Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and in the United States at—
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PRACTICAL BUILDINGS
COBB
ARCHITECT, TORONTO

TWO MORE MINES HAVE RESUMED ACTIVE WORK

Mining Corporation and Tough-Oakes Again in Operation

KIRKLAND LAKE GOLD

Statements by President Culver Would Indicate That This Mine Is Making Good Progress

COBALT.—Two more mines have resumed work during the past week, the Mining Corporation at Cobalt, and the Tough-Oakes of Kirkland Lake. The action of the big silver mine in again launching operations means much to Cobalt, for it will give work to 250 miners. The Tough-Oakes property has been closed for some time and has changed hands since it last operated. It is now controlled by the Kirkland Lake Proprietory, which also owned the Burnside adjoining. These two excellent properties are joined together by underground workings at the 400 level. Before the war Tough-Oakes operations used to average $60,000 monthly. It may be on in the fall, however, before the mill will start work.

At the same time it is interesting to note that the Mining Corporation is also looking to Kirkland Lake for a new property. At the present time it is having an examination made of the Lebel-Oro claims. On this property excellent ore was found on surface.

The Kirk Gold, which has claims in the central part of Lebel, is erecting camps. It is intended to carry on surface exploration. The company has a couple of claims adjoining the King-Kirkland.

The Lake Shore during April reached a new average for production, running 62 tons daily. All the ore was from development work and as a consequence the average gold content was the lowest in the mine's history, being not quite $12. The manager's report shows that an immense underground work is being carried out and a tremendous amount of ore is being blocked out.

Kirkland Lake's Success.

Statements made by President Frank Culver, of the Kirkland Lake Gold, indicate that this company is also meeting with great success in underground development work. Of great interest is the port on diamond drill results on the 900-foot level. A drill passed through 11 or 12 feet of mineralized ore and seven feet of this shows values over $20. He said that the indications are that newly-found deposits may be among the more important developments, so far met with on the property due to the high average gold content, as well as the great depth at which it lies below surface. Developments at the 700 level are also favorable, a large tonnage of excellent ore being developed close to the shaft. Mr. Culver states that the Beaver of Cobalt will not resume operations at the present time.

It is probable that the Hudson Bay Kirkland will do some work on their claims which are between the Buffalo-Kirkland and the Kirkland-Townsite. Surface work done about three years ago revealed veins which are claimed to carry encouraging values.

Arrangements are being made to reopen the Paragon-Hitchcock properties at Elk Lake as well as the Triangle Silver mines in Auld. Mr. Hitchcock has just been over the properties. It is intended to get work going sometime about the end of June.

About fifty prospectors have gone into Bryce Township, where it is stated encouraging gold finds have been made. A large number of claims are being staked. The formation there is said to be greenstone with porphyry intrusions, thereby making a favorable geological condition. The Regent Silver Mine directors are expected north, and it is undestood that the plans are to resume work.

Recently directors of the Oxford-Cobalt mine, a Woodstock company, managed by Prof. Russell of Western University, London, visited the company's property in S. E. Coleman. A program of work, including deeper exploration work is being planned for this summer. The company is well financed.

The Coniagas is now treating 350 tons of run-of-mine ore as well as a little over 100 tons of slimes daily. In addition to this the plant for treating old sands will start soon and will add 150 tons to the capacity. It is understood that the production will be around 4000 ounces when all the production services are operating.

Farmers' Ideas on Marketing of Wheat

By ANGUS LYELL

BY far the most ambitious venture planned by the Western farmers is that of the co-operative marketing of wheat. If the scheme matures and meets with success it may finally lead to control of the elevators, and will undoubtedly place the farmers in a position of considerable power.

The fall in the price of wheat, which has caused loss to many producers, but which was unavoidable, has helped materially to popularize the scheme. Officials of the United Grain Growers and a committee appointed by the Canadian Council of Agriculture have, during the past few months, been planning how best to put it into successful operation. That the scheme is a gigantic one is recognized. There are difficulties in the way which may not easily be surmounted.

It is recognized that perhaps the first essential factor of success is a binding contract among the farmers for a period of not less than five years, under which they would agree to market all their wheat through the association. Violation of this agreement would be subject to a penalty, and possibly restraint by injunction, if the member insisted on delivering his wheat to some other agency. The fruit growers of California and Washington have for some time been marketing their product through a co-operative agency. They operate under a contract for five years. The conditions pertaining to the fruit and grain markets, however, are hardly similar.

But assuming that the farmers agree on a long term contract, the next matter to be considered is the quantity of grain which it would be necessary to handle in order to make a success of the venture. The committee appointed by the Canadian Council of Agriculture is of the opinion that it would be necessary to control half of the wheat crop, or about one hundred million bushels of wheat annually.

For the financing of this gigantic scheme, a large sum would be required. J. R. Murray, the assistant manager of the United Grain Growers, places the amount at anything from one to ten million dollars. The farmers themselves would have to provide the capital for the initial operations, but, if these were successful, adequate financing might later present few difficulties.

The scheme is not one devised to maintain prices at a high level for home consumption, although the farmers contend that, even in the home market, they should obtain a price sufficient not only to cover cost of production, but to provide a reasonable return for their efforts.

THE main object of the plan is to provide for the economical marketing of the surplus part of the crop, that which finds its way on the world's markets. The price obtained for our exports is determined largely by the competition of other nations. For example, the price of Canadian wheat on the Liverpool market is materially affected by the price of that from Australia and the Argentine, to mention two large competing countries. The farmers argue, however, that under existing conditions they are forced by necessity to market a large part of their wheat in the fall, when prices are usually low. A good deal of this gets into the hands of speculators, who hold for an increase in price in the spring.

The proposed scheme should not be passed lightly by as merely a thing of the imagination. The farmers in the West have so far met with a good deal of success in their business operations. The United Grain Growers, for example, made a net profit of $463,675.64 for the year ending August 31st last. Together with its subsidiary companies it had a turnover for the year of more than $113,000,000. It now owns one terminal elevator at the lake front, two hundred and eighteen country elevators, two hundred and thirty-three flour warehouses, one hundred and eight coal sheds, and eight machinery sheds. In addition, it rents in Manitoba one hundred and twenty-nine elevators. Last year it handled 24,503,000 bushels of grain, together with a considerable part of the livestock business in the West. Doing also a considerable volume of business is the Saskatchewan Co-operative Elevator Company.

The farmers in the West are making substantial progress, both in their political and business organizations. They form a material part of the population, and, if they affiliate for any sound purpose, given competent leadership, they are bound to meet with a reasonable measure of success. Recently, for example, the United Farmers of Alberta began a drive for a membership of 50,000. At the time of writing it looks as if this will be accomplished. Already subscriptions of over $60,000 have been obtained for political purposes, although the farmers have been hard hit by the drop in the price of wheat and are mostly hard up.

The organizations of a farmers' co-operative wheat marketing association will not be easy. A comparatively large initial capital will be required, and the venture will meet with a good deal of more or less organized opposition. It will be a direct attack on the private enterprise which has been handling the marketing of the bulk of the wheat crop. But the farmers of the prairie provinces appear bent on the venture and there will no doubt be important developments in the near future.

In modern business the importance of competent and efficient management cannot be over-estimated. If thousands of farmers decide to combine for the direct marketing of their produce; if they can raise the necessary capital and band themselves together so that they dispose of their product only through their own organization; then it is reasonable to expect that the venture will meet with a reasonable amount of success, if the management is sound and efficient.

Granted that the initial capital can be obtained, the weak features of the scheme are:

1. The possibility of more or less disruption, on an early date, among the farmers themselves, which would lead to some members of the organization disposing of their product through outside agencies.

2. The difficulty which might be experienced in financing farm operations, unless farmers' banks are established, since farmers as a class require more or less outside financial assistance.

3. The difficulty which may be experienced in obtaining and maintaining competent and efficient management. Too rapid expansion is usually beset with dangers.

The
SHERWIN-WILLIAMS
COMPANY
of Canada, Limited

NOTICE is hereby given that the Fortieth Quarterly Dividend of One and Three-quarters Per Cent. (1¾%), being at the rate of Seven Per Cent. (7%) per annum, for quarter ending May 31st, 1921, upon the Preferred Stock of this Company, has been declared, payable to Shareholders of record the fifteenth day of June 1921. Cheques will be mailed on June 30th nevt. Books not closed.

By order of the Board.
J. M. GORDON.
Montreal, May 25th, 1921. Secretary-Treasurer

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TENDERS will be received up to [illegible] noon of Monday, June 13th, [illegible] the purchase of $20,000.00 6½% [illegible] for School purposes, and $35,000.00 [illegible] bentures for Waterworks extensions [illegible] provements.

Payable in 20 annual instalments, [illegible] coupons attached thereto for the pay[illegible] the interest.

No tender necessarily accepted.

J. W. RUTTAN,
[illegible]

INDUSTRIAL corporations needing [illegible] for expension and developments [illegible] communicate to P. O. Box 65, OTTA

BANKS

Capital	Reserve	Div. Rate	Yield to May 24	BANKS	Range 1920 High	Range 1920 Low	Range 1921 to May 24 High	Range 1921 to May 24 Low	Close June 1 Ask	Close June 1 Bid	Week Ending High	Week Ending Low	June 1 Close
15,000,000	15,000,000	12	6.48	Commerce	199⅛	173⅛	200	179¾	185	183	185	184	[illegible]
6,000,000	7,000,000	12	6.12	Dominion	206	190	204	191½	195	194	194	194	194
4,998,220	4,849,110	12	6.70	Hamilton	194	168	185	169⅛	180	179	180⅛	180½	[illegible]
4,000,000	4,000,000	10	6.55	Hochelaga	158⅛	151	156	151	...	156	156	156	[illegible]
7,000,000	7,500 000	12+1	6.52	Imperial	200	184	191	183½	184	183	184	184	[illegible]
10,029,622	8,400,000	12+1	6.85	Merchants	203	158	182	167⅛	...	173	176	174	[illegible]
4,000,000	5,000,000	12	6 81	Molsons	194	169	180	168½	178	175	177	177	[illegible]
22.000,000	22,000,000	12	5.85	Montreal	220⅛	185	212	195⅝	210	207	208	207	[illegible]
2,000,000	2,300,000	12	6.77	Nationale	174	162¾	180	165	...	...	...	...	...
9,700,000	18,000,000	16	6.28	Nova Scotia	273	243	265	249	256	...	255	253¾	[illegible]
20,134,010	20,134,010	12	5.94	Royal	233⅛	189½	208	193⅛	205	203	204	202	[illegible]
3,802,001	4,800,000	14	6.92	Standard	222	200	205	198	204	202	203	201	[illegible]
5,000,000	6,000,000	12	6.74	Toronto	197	179	192	177	...	203	178	178	178
8,000,000	6,000,000	10	6.57	Union	161	139	160⅛	146	152	150	152	150	152

LOAN, TRUST AND INSURANCE

LOAN, TRUST AND INSURANCE	* Div. 1920	Pres. Div. Rate	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale
Canada Landed	10	10	150⅛	110	...	135	133
Canada Permanent	10	12	178	157	175	173	174
Central Canada	10	1[illegible]	...	...	...	...	...
Col. Investment, pref.	6	6	82	67	75	...	75½
Dominion Savings	5	5	72	72	75	70	70
Great West Per.	5	..	...	...	140	...	89⅛
Hamilton Provident	9	9	146	145	...	140	140
Huron & Erie	6+1	6+¾	113⅛	110	114	...	112⅛
Landed Banking	8	8	142	141	...	137	137
London and Canadian	9	9	126	120	...	120	115⅝

LOAN, TRUST AND INSURANCE	Div. 1920	Pres. Div. Rate	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid
Montreal Loan	12	....	165	155	...	165
National Trust	11	12	230	198	200	195
Ontario Loan	10	10	160	155	167	157
Real Estate Loan	7	7	95	92	...	...
Toronto General Trusts	10+1	12	211	196⅛	...	197⅛
Toronto Mortgage	9	9	135	129⅝	...	132
Toronto Savings	12+2	12	.....	...	...	...
Union Trust	7		...	...	100	...
Confederation Life	20	20	310	300	...	...

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N. S. TRAMWAYS GETTING CLEAR OF LEGISLATION

Has Been Responsible to Both Utilities Commission and the House

Govt. Program of Doubtful Benefit in View of the High Cost—Halifax Does Not Want Power

HALIFAX—The fight of the Nova Scotia Tramways Company to free itself of obligation to the legislature in the matter of fares to be charged and other functions to be performed by it, ended in a compromise. The company acts under a charter which makes it an exception to the rule under which such companies are responsible solely to the Public Utilities commission. The legislature hitherto has governed the country in such matters as fares on the street railway and in a general way as to all earnings, but when it comes to operation and management, the Public Utilities board is its overlord. Thus the company had two separate jurisdictions which had to be kept in mind, the legislature regulating the important one of earnings.

The compromise consists in this that while the bill freeing the company from the legislature passed into law, a clause was added which makes the act operative only on the proclamation of the government. The company is thus in the hands of the ministry instead of in that of the House at large. There is not much doubt the company feels pretty safe with the law as it has been made, for if there were good reasons shown at any time why the proclamation should issue it will be issued in the interest alike of the citizens and of the company.

Hydro Development

Indirectly connected with this matter is that of the Hydro-Electric power which has been developed by the Government of Nova Scotia at a cost of about $1,800,000. This power was to be delivered to any purchaser but preferably to the city of Halifax. Failing the city there is only one possible purchaser, the Nova Scotia Tramways and Power Company. The city has in effect intimated to the government that it does not want the power, that it cannot handle it. They are afraid it might become a "white elephant," the city having no means of handling the energy. The company has a complete distribution plant but the city has nothing of this kind and it would be a costly matter to provide it. Supposing the city took over the current they have no guarantee that the company would help them out by taking it at any price instead of using their present steam-producing plant. The company say they will sell out to the city at a price to be arbitrated, but citizens are afraid of the venture and it may be taken as certain that Halifax will not go into the electric lighting and power distribution business, with a plant purchased from the present company or built by itself. There is not room in Halifax for the operation of two concerns, a municipal and privately-owned one. It looks, therefore, as if the company were the only possible purchaser of the energy now almost ready for delivery.

But supposing the company turns to the government and follows the lead of the city by saying that they do not want the current. It becomes serious for the government which has spent $1,800,000 and must find a market. The company may assert that their steam-generating plant is cheaper than the Hydro-Electric current they are offered, and truth to tell, they might not be far wrong in that assertion.

Ald. J. W. Regan, one of the financial men of Halifax, who has always opposed any concessions to the Nova Scotia Tramways Company, and who invariably has been arrayed against them in their legislation, gives a statement that it may not be to the interests of the company to have anything to do with the new power at the price which the cost of the Hydro-Electric development is said to be costing. He says:

> "The action of the city council in turning down the hydro proposition was largely determined by the report made by the board of works, who had investigated the matter during the past year. The report submitted was exhaustive and included complete figures as to probable cost of light and power delivered to consumers.
>
> "The members of the board of works reported there was much misapprehension in the city as to the hydro being cheap power. They stated as a result of their investigations that the power would not be cheap, if it were purchased and distributed by the city.
>
> "The board of works estimated the average cost to power and light consumers as at present with no sinking fund allowance would be 5.335 cents per k.w.h. They noted at the same time that the present average cost in the city is 5.922 cents per k.w.h., according to a sworn report of the Tramway Company, with coal at $9.84 per ton."

SHAREHOLDERS RATIFY BOND ISSUE

But Another Meeting Will Be Held June 11th For Final Passing

From Our Own Correspondent.

HALIFAX—The shareholders of the Acadia Sugar Refining Co., at the meeting called for the purpose, took the initial step to ratify the issue of ten-year second mortgage bonds at seven per cent. The object of this issue, for hypothecation purposes, has already become familiar to readers of THE FINANCIAL POST. About half the capital stock of this company is held in Glasgow, and there were present as representing the Scottish shareholders Messrs. Prentiss and Stevenson. D. R. Turnbull, general manager of the company, or as he is technically called, the secretary, was present from Montreal. Mr. Turnbull said the sales of the company are good. The resolution will come up for passage finally at another meeting to be held on June 11.

At the same hour a meeting of the shareholders of the North Atlantic Fisheries, Limited, was held. This company may have paid a dividend on its preferred stock in the early years of its existence, but your correspondent thinks no dividend was ever paid. Yet now, when the company is ready to sell out to the first buyer who offers anything like a price, and when it is "resting on its oars" it finds itself in a position to declare a small dividend on the preferred. Not only this, but the shareholders properly voted the sum of $250 to the directors as a remuneration for their labors. R. A. Corbett, who has done a great deal to help pull the company through its difficulties, reported that there is in the treasury the sum of $23,000. After paying the two per cent. to the preferred stock an amount of $13,000 is left, so that even if nothing is made the shareholders may look forward to another two per cent. next year. Directors for the ensuing year were appointed as follows: C. H. Mitchell, O. E. Smith, J. B. Douglas, M.P.P., F. P. Bligh, W. H. Covert, K.C., J. H. Winfield, B. P. Saunders.

CONSUMERS' GAS.

In view of the reduction in the price of bituminous coal there is an agitation in Toronto looking to a cut in the price charged for gas by the Consumers' Gas Company—in which the shareholders and the city itself are partners. The statement had been made by Arthur Hewitt, general manager, that an effort would be made to bring prices to a lower level as soon as conditions warrant. Mr. Hewitt points out, however, that at the present time, while there has been a reduction in the price of coal at the mines this has been offset under the company's contracts by the higher cost of transportation. The company consumes about 300,000 tons of coal per year and under its contracts did not have to pay the top figure indicated in market quotations.

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Maturing 2nd May, 1951, to yield 6.30%

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INVESTMENTS OF THE TRUST COMPANIES

	—Capital Account—			—Guaranteed Accounts—			—Estates Trusts—			—Total—		
	1918.	1919	1920	1918	1919.	1920	1918	1919	1920	1918	1919	1920
Brantford Trust	$ 329,665	$ 330,202	$ 331,436	$	$	$	$ 645,994	$ 637,655	$ 927,789	$ 975,609	$ 967,858	$ 1,259,174
British Empire Trust	4,694,870	4,590,035	5,147,720	......	......	......	1,163,710	2,515,925	1,232,860	5,858,580	7,105,960	6,380,580
British Canadian Trust	46,274	52,092	53,958	11,690	4,040	1,900	617,995	566,000	482,040	675,959	622,132	537,899
Can. Guaranty Trust	244,256	439,517	440,906	263,498	285,988	340,159	1,413,852	1,912,806	2,115,889	1,921,606	2,638,312	2,896,955
Canada Trust	1,645,597	1,685,752	1,750,633	4,719,763	4,860,636	4,223,152	3,544,907	4,234,387	5,064,237	9,910,267	10,780,775	11,038,023
Capital Trust	450,777	545,073	610,879	448,335	605,302	779,351	1,060,680	1,135,746	2,719,350	1,959,792	2,286,122	4,109,581
Crown Trust	692,143	777,525	943,560	......	......	......	2,362,424	3,878,200	4,535,191	3,054,567	4,655,725	5,478,751
Can. Permanent Trust	330,682	1,135,497	1,175,953	42,012	42,012	57,208	772,851	2,191,522	1,914,690	1,145,544	3,369,033	3,147,852
Chartered Trust	327,759	542,990	578,728	......	15,204	42,330	......	4,365,904	4,611,354	327,759	4,924,099	5,232,412
Eastern Trust	1,550,154	1,455,672	1,543,019	121,000	161,582	475,269	20,670,982	21,653,965	24,298,424	22,342,136	23,271,221	26,316,713
Guelph Trust	310,551	316,899	328,294	......	......	75,954	......	......	109,712	310,551	316,899	513,961
Imperial Trusts	263,232	273,174	299,735	1,172,685	1,364,728	975,716	3,365,147	3,080,820	3,963,551	4,801,064	4,718,724	5,239,003
Imperial Canadian Trust	1,461,919	1,536,291	1,601,417	......	......	......	5,475,454	5,730,505	6,626,146	6,937,373	7,266,797	8,227,563
London & Western	699,051	724,666	742,005	......	......	42,545	7,946,897	10,387,847	11,064,473	8,645,948	11,112,533	11,849,024
Mercantile Trust	677,009	829,361	801,179	432,594	451,167	413,272	4,516,119	5,634,577	4,704,887	5,625,722	6,915,107	5,919,339
National Trust	3,238,221	3,300,670	4,277,214	6,897,900	5,975,171	5,387,200	69,955,549	79,665,410	84,726,290	80,091,670	88,941,252	94,390,705
Northern Trusts	2,143,867	2,161,203	2,202,785	1,295,801	1,370,134	1,327,755	9,525,521	11,072,121	15,979,708	12,965,189	14,603,458	19,510,250
Nova Scotia Trust	246,244	282,587	293,559	......	......	......	......	1,010,708	3,198,125	246,244	1,293,295	3,491,684
Prudential Trust	951,924	993,853	869,091	1,502,846	1,574,675	1,044,050	2,073,308	2,277,463	3,597,021	4,528,078	4,845,992	5,510,163
Premier Trust	137,941	139,536	141,362	21,776	33,026	42,540	307,486	344,604	486,107	467,203	517,167	627,469
Royal Trust	5,016,032	5,738,884	*6,199,333	2,705,047	2,467,438	*1,873,268	207,259,331	226,032,801	*255,964,064	214,980,410	234,239,009	*264,036,667
Standard Trusts	1,605,641	1,626,645	1,638,468	2,795,029	2,524,471	2,555,197	9,059,499	12,045,214	12,244,615	13,460,169	16,196,331	16,438,283
Sterling Trusts	598,109	514,859	530,881	563,641	587,307	588,653	10,896,204	7,070,068	3,066,290	12,057,954	8,172,234	4,185,824
Saskatchewan General Trusts	141,050	155,054	214,224	......	......	......	811,861	1,118,639	1,502,575	952,912	1,273,694	1,716,799
Saskatchewan Mortgage & Trusts	968,264	957,778	1,024,751	16,137	67,146	59,927	371,161	584,935	639,503	1,355,563	1,609,861	1,724,182
Toronto General Trusts	3,759,444	3,882,637	4,389,768	8,185,884	9,476,559	9,124,317	78,887,301	87,763,834	100,248,237	90,832,629	101,123,031	113,762,324
Trusts & Guarantee	2,507,584	2,722,047	1,785,805	5,182,061	5,363,413	5,422,655	12,783,554	14,046,958	16,383,751	20,473,199	22,132,419	23,542,212
Trustee Company of Winnipeg	324,619	542,338	381,660	534,163	566,768	570,910	1,905,880	1,962,674	1,895,263	2,764,663	2,872,943	2,847,734
Union Trust	1,542,031	1,569,162	1,644,864	5,218,020	5,278,876	5,348,253	6,103,487	6,718,996	6,432,505	12,863,538	13,594,035	13,425,623
Western Trust	1,287,767	1,317,296	1,426,963	1,011,434	998,527	992,974	69,137	203,610	220,160	2,368,338	13,514,435	2,640,098
Winnipeg Mercantile Trust	81,001	80,790	86,120	6,729	4,441	631	149,557	154,463	145,138	237,287	239,695	231,889
Yorkshire & Can. Trust	1,641,375	1,673,920	1,686,575	......	......	......	......	......	......	1,641,375	1,673,920	1,686,575
Total	$ 39,915,003	$ 42,921,025	$ 46,092,845	$ 43,148,045	$ 44,073,611	$ 41,765,186	$463,715,848	$519,998,357	$571,099,895	$546,778,898	$617,794,068	$667,915,411
Fidelity Trust	......	141,803	......	......	212,708	......	......	1,532,776	......	......	1,887,288	......

*Figures as of March 31, 1921.

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TEXTILE COMPANY AVOIDS A HEAVY INVENTORY LOSS

Statement Shows Record Sales and Profits Greater Than Last Year

STRONG LIQUID SHAPE

Working Capital Exceeds $6,000,000—Consolidating Mills—Stocks Cut Down —Earned 22%

From Our Own Correspondent.

MONTREAL—Well might the president of the Dominion Textile Co., Sir Charles Gordon, observe in his report: "Although we have passed through a year of great difficulties, the result has been very satisfactory." For, as was indicated in these columns some weeks ago, the financial statement for the year ending March 31, 1921, actually showed greater earnings as well as larger sales than in the previous year; sales of $26,429,660 as against $23,436,771, and, incidentally, the highest in the company's history and profits of $1,931,012 as compared with $1,845,376. This in spite of the fact that early last November, when the company's fiscal year was little more than half over, drastic cuts in prices were brought into effect that finally averaged 45 to 50 per cent. to meet the competition of the price war in the United States.

How Losses Were Avoided

What compensation, then, was there for heavy inventory losses, goods sold under cost? One was the general rule of the company to insist on contracts being carried out at contract prices except where the mills are behindhand in delivery; the other in the system of the company whereby it can take advantage of a falling raw cotton market in buying to cover orders for manufactured goods. Shrewd judgment offers an opportunity of this kind in a raw market that slumped from 50 cents a pound in July, 1920, to 12 cents less than nine months later. Hence the readjustment to far lower levels in prices has been effected by Dominion Textile Company without any actual net loss on inventories and an actual increase in working capital of nearly $400,000, from $6,002,415 to $6,398,472, a rather remarkable achievement in these times. From now on the company has smoother sailing under much more normal conditions.

Earned 21.67 Per Cent. on Common

The profit and loss account deducts new items, welfare and bad debts reserve, amounting altogether to $155,847, or 3 per cent. on the common stock and there is still left a balance of $1,083,547 available for common dividend or 21.67 per cent. as against 22.08 per cent. one year ago. The figures for the last three years compare thus:

Profit and Loss Account.

	1921	1920	1919
Sales	$26,429,660	$23,436,771	$23,666,217
Expenses	24,648,721	21,735,526	20,231,464
Op. income	$1,780,939	$1,701,245	*$3,434,753
Other income	150,073	144,131	......
Total income	$1,931,012	$1,845,376	$3,434,753
Interest, etc.	506,060	493,073	441,023
Rent	31,416	112,500	198,000
Welfare	45,421	......	......
Bad debts, res.	110,426	......	......
Net income	$1,219,389	$1,239,803	$2,795,730
Pref. divid.	135,842	135,842	135,842
Bal. avail. for common	$1,083,547	$1,103,961	$2,659,888
Com. divids.	500,000	400,000	400,000
Balance	$ 583,547	$ 703,961	$2,259,888
†Tax res., etc.	......	......	1,100,000
Surplus	$ 583,547	$ 703,961	$1,159,888
Prev. surp.	4,053,044	3,349,083	2,189,195
P. & L. bal.	$4,636,591	$4,053,044	$3,349,083

*Includes other income.
†Includes reserve for pension fund, etc.

From $4,497,000 to $357,000

The balance sheet shows a number of very gratifying changes during the twelve months. At a time when big inventories are deplored, "Textile" statement contains only $357,122 of raw cotton, while last year it was $4,497,095, a decrease of over $4,000,000 in inventory. Even allowing for the lower price to-day this quantity of raws would have been worth only $1,400,000, so the quantity is cut down to one-third. Accounts receivable are down from $4,247,512 to $2,803,341, indicating that collections have been at least as good or better and also, to some extent, a cutting down of orders. Investments are up nearly $2,000,000, of which three-quarters represents the new investment in the Mount Royal mill of Canadian Cottons. The heavy decline in raw cotton supplies naturally has cut down the assets. The same factor has reduced bank loans, the item "loans and exchange" being down almost an even $3,000,000.

The items in the working capital account for the two years compare as follows, the list following the company's own division into "liquid assets" and "liquid liabilities," although there might be a disposition to omit from the total of "investments" all save Victory bonds and a few other high-grade securities.

Working Capital

Current Assets—	1921	1920
Raw materials	$ 357,122	$ 4,497,095
Mfg. stock	860,731	588,908
Cash and bills rec.	550,521	319,965
Accounts rec.	2,803,341	4,247,512
Supplies, etc.	506,709	326,987
Prepayments	140,000	120,000
Investments	3,707,908	1,821,327
Total	$ 8,926,332	$11,921,783
Current Liabilities—	1921	1920
Loans and exchange	$ 1,159,753	$ 4,160,420
Accts. payable	*1,021,651	633,756
Deposits	39,659	111,359
Gov. tax	......	587,159
Wages	193,500	307,500
Divids. due	33,961	83,961
Interest	79,337	85,213
Total current	$ 2,527,860	$ 5,919,368
Bal. work. capital	$ 6,398,472	$ 6,002,415

*Including taxes.

Extensions at Six Points

The report of the president points out that the company has consistently carried out its original policy of "concentrating our business at our largest plants." The principal extensions have taken place at six points only: Montmorency, Magog, Hochelaga, Merchants, Mount Royal and Verdun, "and we now have situated at these six points great properties, each of which is becoming more specialized day by day, and will in time, we hope, be capable of holding its own as compared with the larger plants of other countries." Large sums had necessarily been written off on account of the closing of the plants at Halifax, Windsor and Moncton, and the dismantling and removal of the print works which was taken over with the Colonial Bleaching & Printing Co. These, however, it was felt, were moved in the right direction, namely consolidation, and specializing so that each mill would run on as few lines as possible. The company now has in operation 530,000 spindles and 11,058 looms.

It is noted, also, that the balance of the Montmorency Cotton Mills bonds, amounting to $407,500, matured on January 2, and were paid off.

Dividend Raised to 12 Per Cent.

At the annual meeting of the company held on Monday the directors increased the dividend on the common from ten to twelve per cent. One year ago the dividend was raised from eight to ten per cent., while in 1917 the original rate of 6 per cent. was increased to seven, and one year later the stock went on an eight per cent. basis. The increase in view of the strong financial position of the company, especially considering the favorable condition of the inventories and the unimpairment of the working capital, is considered amply warranted in industrial and financial circles here and should tend to stimulate faith in Canada's textile industry. The dividend is payable on July 1, to holders of record June 15.

SPANISH RIVER HAS GROWING CAPACITY

Some Interesting Figures as to Wood Requirements of Present and Future

Some interesting figures regarding the present and proposed development of the Spanish River Pulp and Paper Mills Co., Ltd., were given to the Ontario Timber Commission by D. K. Avery, forestry advisor in the employ of the company. When all the improvements contemplated in the three mills of the company are completed the capacity will be 368,000 cords. In 1921 the company will cut about 324,000 cords as against 240,000 cords in 1919.

Mr. Avery gave some figures regarding the amount cut and the amount bought for the use of the three mills of the company during the past three years. At Sault Ste Marie, in 1918, a total of 33,145 cords were cut and 137,535 cords purchased. In 1919 there were cut 18,284 cords, and bought 78,196 cords. In 1920 there were cut 32,650 cords, and purchased 100,039. In 1921, this year, 39,000 cords were cut and 137,000 cords purchased.

At the Espanola mill the following are the figures: 29,337 cords cut and 670 cords purchased in 1918; in 1919 there were 29,545 cords cut and 465 cords bought; in 1920 there were 39,639 cords cut and 797 bought; in 1921 there were 95,384 cords cut and 9,315 cords purchased.

Figures for the Sturgeon Falls mill were: 33,884 cords cut and 20,000 cords purchased in 1919; 35,319 cords cut and 14,000 cords purchased in 1920; 66,441 cords cut and 52,000 cords purchased in 1921.

"Is the market good for output?" inquired Justice Riddell.

"It was when the wood was cut," replied Avery.

CANADIAN SALT

An aditional $400,000 stock of the Canadian Salt Company, representing new issue of new stock, placed on the market in March, 1920, has been listed on the Toronto Stock Exchange.

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MONTREAL OIL CO. MUST GET $108,000 OR BE LIQUIDATED

Slump From $3.50 to $1.50 in Crude Oil Produces Crisis

CHANGE MANAGEMENT

President C. L. Campbell Superseded and Judge Armstrong in Charge of Field Operations

From Our Own Correspondent.

MONTREAL.—The sharp decline in the price of crude oil from $3.50 per barrel to $1.50 cut down the earning powers of the Montreal Oil Company with wells in Texas to such an extent that the commitments for the drilling of three wells could not be met. The directors have sent out a call to the shareholders for ten per cent. of the par value of their holdings to provide the sum of $108,000. This would wipe out the outstanding indebtedness, and it is hoped the wells will continue to produce at the present rate and even at the reduced price of oil to cover operating expenses and gradually wipe out the new securities to be issued to the shareholders until such time as general business conditions improve and cause a better demand for fuel and lubricating oil. This in turn it is expected will result in a rise in the price of oil and improve the earnings of the company.

Fifteen Days or Liquidation

In a circular letter sent to the shareholders it is stated that "If in fifteen days the response to this call is not sufficient to meet the company's requirements, your directors feel it will be necessary to place your company in liquidation." The character of the personnel of the shareholders is such that this extreme action, the directors hope, will be avoided.

Replace the President

Several rather radical changes have been made in the management of the company, including the resignation of the president, C. L. Campbell, who is replaced by H. F. McLean, resident manager of the Cook Construction Company. "We are frank to admit," the circular reads, "that our management in the field has not been of the best, but we have every reason to believe that under improved supervision and management our production will be greatly increased."

The net income of the company is set down at $11,400 a month, and this, it is stated, will provide for the completion of the drilling of the three wells under way for the past three months and it is agreed that no further drilling will be carried on so long as the price of oil remains at $1.50 a barrel.

The three wells which the company drilled and which caused the present financial embarrassment have proved to be oil producing wells. Two of them are producing and the third has the pipe placed on top of the line and it is expected to be brought in in a few days.

When the drilling of the last well is completed our expenses of operation in the field will not be more than $2,000 per month. The indebtedness, for which the creditors are pressing for payment at the present time, amounts to approximately $65,000. Your directors have endeavored to dispose of part or all of the remaining 80,000 shares in the treasury, but owing to the general financial depression this was found impossible; otherwise there would have been sufficient funds to provide for the development as outlined."

300 to 600 Barrels Daily

The wells at the present time are producing from 300 to 600 barrels daily and the net production for the last 30 days was 7,600 barrels.

A special report has been made for the company by Judge Armstrong, one of the best known field managers of the Middle States Oil Company. He has suggested efficient management, a well defined plan for the development of the business; and third, a reorganization and enlargement of the corporation, or a liquidation thereof by a new corporation to be organized under different laws. It is suggested that a charter of the State of Delaware replace the present Texas charter.

May Enlarge Company

This advice is likely to be taken and plans are afoot for an enlargement of the company through the taking in of some one or more, if the call for funds proves successful. In connection with the charter, Judge Armstrong states that the laws of Delaware are more liberal and a greater protection is afforded a non-resident shareholder than under the laws of Texas.

If the rseponse of sharehoulders is favorable, the services of Judge Armstrong will be secured for the next couple of months at least and full control given him to reorganize the field operations. The exact form of security that will be given the shareholders on the new call is still undecided, as between a bond or a note. In this connection the directors point out that during the latter part of 1920 the shareholders received in dividends 8 per cent., payable in New York funds, almost enough to cover the present call of ten per cent. The outstanding stock amounts to $1,120,000 and some 80,000 shares remain in the treasury.

PLACER MINING IN BRITISH COLUMBIA

River Sands of the North Will Be Tried Out by Systematic Effort

From Our Own Correspondent.

EDMONTON. — Placer gold mining is coming into its own again in the near North, and two systematic attempts will be made this summer to try out the possibilities of river sands in northern British Columbia, just beyond the Peace River country.

The Ingenika Gold Mining Company, an Edmonton concern with mining rights from the British Columbia Government, will operate a Keystone drill on forty-mile miles of claims along the Ingenika River, one of the streams at the head waters of the Peace. Assays of the gravel from the bed of the river have indicated values far greater than those secured in the palmiest days of Cariboo placer mining, and the Ingenika Company is preparing for a thorough testing of the prospect, with an outfit already on the way and Dr. W. F. Ferrier, of Toronto, as mining engineer in charge.

Similar development will be carried on by the Dominion Trading and Transportation Company on the upper Peace River, in the vicinity of Hudson's Hope. This company will work with the drag line scraper system, by which 1,000 yards of gravel will be handled daily at a cost of ten cents per yard. The gold and platinum values have been shown by assay to be from $1 to $1.50 per yard. A full equipment of machinery and supplies is being taken in, and work will be carried on right through the summer and autumn.

Both these placer mining enterprises have been getting under way for the past two years. Preliminary tests have been made at various points on their prospective claims, and the results have been such as to encourage the development of the northern gold sands on a commercial basis.

GROUPING OIL CLAIMS

The Federal Government has under consideration proposals whereby a company having more than one oil claim can group these claims for the purposes of the work which the regulations call for on each. That is, if the company concentrates its attention on drilling one claim, the Government would be satisfied if the development on that one claim represented an addition of all the amounts required for each individual claim. It is not known whether immediate action will be taken in this respct or not.

ILLINOIS TRACTION

The April report of the Illinois Traction Company shows the gross earnings of $1,785,849, which compares favorably with $1,684,606 for the corresponding period in 1920, being an increase of 6.01 per cent. Total expenses and taxes were $1,325,724, as compared with the 1920 figures of $1,205,320. This leaves a net over expenses and taxes of $460,125, only slightly smaller than the net for April, 1920, the decrease as compared with previous years being four per cent. Total gross earnings for the four months ending April 30, 1921, were $7,450,003, this being an increase of 10.35 per cent. over the previous year. Total expenses for the same period were $5,467,623, leaving a net over expenses and taxes of $1,982,379, an increase of .66 per cent.

MINING STOCK QUOTATIONS

Week ending May 30.

	High	Low	Close	Sales
Adanac	1	..	..	26000
Atlas	21½	21	21	29000
Bailey	2⅞	..	..	3000
Beaver	34	32½	33	6800
Boston Crk.	9	..	..	500
Cons. Smelt.	16½	16	16	135
Crown Res..	13	12½	13	9000
Dome Lake	4¼	4	4	4000
Dome Mines	21.25	20.05	21.00	695
Gifford ...	⅞	..	..	3000
Gold Reef .	3½	3¼	3⅜	44000
Hollinger..	7.33	7.25	7.27	4500
Hunton	10	9½	9½	3500
Keora	13¾	13	13½	3900
Kirk. Lake.	49	47	47	5900
La Rose ...	21	18¾	21	3000
Lake Shore	1.32	1.30	1.30	1100
McIntyre ..	1.99	1.96	1.97	6800
Min. Corp..	1.17	1.10	1.10	500
Moneta ...	12	11¾	12	18500
Newray	6½	6	6	6000
Nipis. Ophir	5.20	5.00	5.00	1420
Peter. Lake.	6⅛	..	..	1000
Porcu. Cr..	22½	20	22	10000
Porcu. Imp.	½	..	..	1000
Schumacher.	24	23	23	2000
Silver Leaf .	2	..	..	5000
Teck Hughes	16	..	..	16500
Timiskaming	20½	..	..	1300
Thomp. Krist	7½	5¾	5⅞	10500
Trethewey..	17	16	17	14500
V. N. T. ...	23½	21	22	45500
West Dome	8½	7¾	7¾	7500
West Tree .	4¾	4½	4½	12500
Lebel Oro ..	38	..	..	1000
South Keora	35¼	35	35	11000

NET EARNINGS OF C. P. R. RAN AHEAD IN MONTH OF APRIL

In Spite of Gross Earnings Declining by $2,167,000

UP SO FAR, $952,000

Percentage of Net 18.9 Against Only 9.3 for First Four Months of 1920—Net far Below Years Ago

Montreal.—The condition that was regarded in these columns one month ago as likely to be repeated for some monhts to come in Canadian Pacific Railway Company earnings, a decrease in gross but increase in net—turned out to be correct, for the month of April as well as March. For while gross figures of earnings dropped from $15,929,416 to $13,761,840, a decline of $2,167,579 compared with April, 1920, expenses declined $2,471,860, leaving net earnings of $2,646,131, or an increase for the month of $304,284. Under normal traffic conditions the net, it may be assumed, would have been much larger. The anticipated cut in wages on July 1 should improve the situation still further.

Although the year opened with a decline in net earnings, the net result to date is an increase of $952,430 in net for the four months ending April 30, over last year. This, in spite of the fact that gross earnings have fallen by $3,415,041, the month of April alone representing over 60 per cent. of the total.

When considered from the point of view of the percentage of operating costs to gross earnings, the decline in raw materials, such as coal, coupled with greater efficiency works out to a marked degree. The percentage for April has dropped nearly 4, from nearly 85 to 81, and the four months early last year averaged nearly 91 per cent. To cut down the cost 10 per cent. is certainly an achievement. The figures compare as follows:

	Ratio of Expenses to Gross Earn.	Bal. Net Earn.
April, 1920	84.9%	15.1%
April, 1921	81.1%	18.9%
4 mos., 1920	90.7%	9.3%
4 mos., 1921	88.3%	11.7%

Taking the gross earnings since the beginning of 1920, it is seen that the April figures are little more than half the record total of $24,800,632 reached in October last, and less than any month except February of this year and February of last year. The increases in gross last year were fairly consistent. Net last year reached a high of $7,700,822 in October.

The four months' figures show gross earnings higher than any year except 1920, but the net at $6,551,856 is far below the average of the past ten years.

Figures in detail illustrating these points appear below:

Earnings by Months

	Gross	Net
1921—		
April	$13,761,840	$2,646,131
March	14,705,726	2,450,908
February	12,768,986	813,319
January	14,465,430	641,424
1920—		
December	20,604,167	2,222,072
November	23,799,146	4,073,010
October	24,800,632	7,700,822
September	20,009,287	3,908,654
August	17,994,768	2,206,812
July	17,375,760	1,619,485
June	16,480,574	2,630,817
May	16,459,986	3,197,942
April	15,929,416	2,341,846
March	15,715,936	1,957,764
February	13,557,103	713,873
January	13,914,569	585,941

April for Last Ten Years

April—	Gross	Net
1921	$13,761,840	$2,646,131
1920	15,929,416	2,341,846
1919	13,108,904	2,088,624
1918	13,328,848	3,455,389
1917	12,355,519	4,174,977
1916	10,881,306	3,733,735
1915	7,455,859	2,687,755
1914	9,720,461	3,244,865
1913	11,750,913	3,945,078
1912	11,301,349	4,115,752
1911	8,672,025	3,156,975
1910	7,985,230	2,981,111

Comparison of 4 Months' Period

Four months—	Gross	Net
1921	$55,701,984	$6,551,856
1920	59,117,025	5,599,426
1919	49,575,582	6,162,296
1918	46,120,883	8,207,062
1917	43,444,647	12,529,822
1916	38,646,944	11,539,817
1915	28,153,554	8,780,017
1914	34,678,311	8,815,855
1913	42,290,099	11,982,938
1912	38,081,357	11,300,878
1911	29,588,447	8,114,366
1910	27,878,045	8,495,900

TORONTO RAILWAY

In connection with Toronto's writ claiming $1,209,000 for delayed payment of percentages, the Toronto Railway Company has forwarded a reply in the form of an affidavit by its President, Sir William Mackenzie setting forth that the city has neglected to lay down and maintain a permanent pavement in compliance with the agreement, and that the company has sustained large loss and damage by this neglect. This loss and damage, Sir William states, exceeds the arrears of the percentages. Sir William says that the award of the arbitrators will exceed by several million dollars the amount of the city's percentage claim, and submits that the counter-claim of the company should be referred to the Board of Arbitrators.

Washington report quotes Professor Irving Fisher of Yale as saying end of business depression is at hand and next few months wil lwitness general improvement.

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Americans Are Not to Blame For Difference in "Value"

AN ECONOMIC LL

A Matter of Fact Exchange is a Greater Thorn to American Exporter Than Canadian Consumer

Some politicians are still harping on the alleged fact that in the United States the Canadian dollar will not purchase as much as formerly, because the Americans will not take it except at a discount. It may be, of course, that they misstate the case in this way in ignorance, but some must know better. It is quite in order to urge the public to buy at home, but it is poor business, even from the standpoint of selfish interest, to circulate statements calculated to base the charge of trade by cultivating the belief that the other fellow is trying to skin them. The American business man is in business to make a profit, just as we are. His best market is Canada, and, as he is not a fool, it does not stand to reason that he would jeopardize business relations with his best customer by deliberate sharp practice.

The exchange situation is none of his making, and is worrying him more than it is us, as he realizes, if our politicians do not, what a handicap to his sales here the discount on Canadian funds is. The cold brutal fact of the matter is, that Canadian Currency is depreciated. It is based on gold in theory, but it is not redeemable in gold, at the present time, in practice. Dominion notes issued by the government, which are legal tender in Canada to any amount, are by law redeemable in gold, but let anyone present these notes at the office of the receiver-general and ask for gold in exchange. He would not be laughed at. The officials would be polite, but he would not get the gold.

Would Get No Gold

It would be explained to him that the War Measures Act is still in force, and under it no gold is permitted to leave the country without authority of the government. In other words there is not sufficient gold in the country to enable the government to honor its obligations as provided by law, and to the extent to which this cannot be done our currency is depreciated. In Canada this is evidenced by the high prices of commodities. Money is the measure of value just as the pound weight is the measure of weight. If in buying meat the butcher uses a weight lighter than the standard, the customer gets only a nine-pound roast for his Sunday dinner, when the scales show ten pounds. Our currency is in exactly the same position. The standard is gold, but the money used is not equal to gold. When the goods we exchange is measured as to value by the standard, as it must be when dealing in the United States, the discrepancy is evident, but we have no right to blame the standard.

How About the Pound?

The currency of Great Britain is even more depreciated than our own, the pound sterling worth at par $4.86 being quoted here at $4.42, but if the British people put the blame for it on us we would have every right to resent it, and the Americans are in exactly the same position.

The similarity in names applied to the monetary unit in Canada and the United States has probably something to do with the misunderstanding. The term dollar is the same in both countries but there the similarity ends. Our currency has no status in the United States, and theirs has no status in Canada. Both are promises to pay, and must be sent to the country of issue for redemption. What is dealt in by the banks here is not American money, but American funds, the right to receive money in the United States. The term premium or discount is simply a method of quoting the price.

In mis-stating facts our politicians are no worse than those in other countries. Some years ago the late James G. Blaine spoke of the drain of gold from New York, $110,000,000 each year for freights paid foreign ships, and asked dramatically how could New York stand this strain. It was nonsense and he knew it, but all he was after was a mouth-filling phrase which sounded terrible on the stump and meant little. Possibly the same reasons are responsible here.

U.S. PER CAPITA DEBT

A Big Increase Since Beginning of the War

The per capita wealth of the United States has increased $236 since 1914, it has been announced by the Government Loan Organization.

It is estimated that on Feb. 1, 1921, the total wealth of the country was $300,000,000,000. This is an increase of $50,000,000,000 during the last seven years.

If this wealth were divided equally among the 107,000,000 persons in the country each would have $2,800. In 1914 each would have had $2,564.

The practice of thrift during the war was partly responsible for the increase, according to the Loan Organization. Other factors were high wages and salaries, the natural increment in the market value of property, enhanced values of property during the period of inflation and the people's will to work and produce.

MANY OBSTACLES TO EXCHANGE RISE

Europe's Government and Private Debts and Uncertainties Abroad

There are many obstacles in the upward movement of foreign exchanges, according to the Wall Street Journal. Aside from the overhanging influence of the $9,500,000,000 war debt of the Allies to the United States, there is Europe's unfunded debt to private American creditors' estimated at between $4,000,000,000 and $4,500,000,000. Events in Europe of an economic or political nature are apt to arise during these times which affect the exchanges adversely. And there are, above all, many investors and speculators who became committed in sterling, francs, etc., at various levels in the past downward movement and who seek to sell at each advance in the exchanges.

In other words, there is a great load of foreign exchange waiting to come out on every favorable opportunity; and as exchange goes higher it seems to encounter a still heavier load.

The exact nature of Europe's unfunded commercial debt is uncertain. To a certain extent it consists of balances on the books of foreign banks established for American firms, which have not been withdrawn because of the unfavorable position of the foreign exchanges. Every enhancement of the foreign currencies in this case also brings out a number of bills drawn against these balances.

To some extent Europe's debt consists of merchandise credits granted by American concerns to customers abroad, which is commonly referred to as "open book credits." On each fall in the premium of American funds, part of these accounts are paid off.

Another part of this credit consists of short term obligations which are maturing from day to day. On every improvement in the exchanges, foreigners "anticipate" their maturities, by purchasing exchange immediately.

BUYS TOWN IN B. C.

A Village Green Replaces the Business Section.

The town of Nicola, B.C., has been sold to Major Charles Sydney Goldman, former member of the British Parliament, and a well-known South African capitalist. It is shortly to be converted into a model English town, a perfect village green to replace the present business section. The purchaser is living in the Court House, and among the other large properties taken over by him are the Post Office building, the entire A. E. Howes estate, and the store buildings.

THE CIGARETTE OUTPUT

50,000,000,000 Record to be Passed This Year

Output of cigarettes in first three months of 1921 amounted to 12,502,366,887, which is at the rate of more than 50,000,000,000 annually. Figures for April are not yet available, but it is expected, says the Wall Street Journal, they will show an increase over preceding months and May is expected to show further gains.

At present rate of increase, all indications point to the biggest year in the history of the cigarette industry. In the Internal Revenue Department's fiscal year ended June 30, last, production exceeded 50,000,000,000 cigarettes, the high record.

March production of 4,474,688,075 was the largest month in last year and compares with 4,123,163,372 in February and 3,904,515,440 in January. Increase in March over January was more than 12 per cent.

Provincial Paper Mills Limited

DIVIDEND NOTICE

NOTICE is hereby given that Dividends have been declared by Provincial Paper Mills, Limited, as follows:

Regular Quarterly Dividend 1¾ per cent on Preferred Stock.

Regular Quarterly Dividend 1½ per cent on Common Stock.

All payable on July 2nd, 1921, to Shareholders of record at close of business June 15th, 1921.

(Signed) S. F. DUNCAN
Secretary

Canadian General Electric Co., Limited

Special General Meeting

NOTICE is hereby given that a Special General Meeting of the shareholders of the Canadian General Electric Company, Limited, will be held at the Head Office of the Company, corner King and Simcoe Streets, Toronto, Canada, on Wednesday, the 15th day of June, 1921, at twelve o'clock noon, for the purpose of considering, and if approved, authorizing and confirming By-law No. 53, as enacted by the Board of Directors on the 26th day of February, 1921, said by-law providing for increasing the authorized catpital stock of the Company to $20,000,000.00; and for the extension of the powers of the Company to certain further purposes and objects substantially as follows:

(a) To declare Stock Dividends and issue therefor shares of the Company as fully paid or partly paid, etc., etc.

(b) To subscribe for, purchase, assume liability under, acquire, own, hold, sell, exchange, dispose of or otherwise deal in or contract with reference to stocks, shares, bonds, debentures, securities or obligations in or of any company or association having objects altogether or in part similar to those of the Company, or carrying on any business which may seem capable of being conducted so as directly or indirectly to benefit the Company, etc., etc.

all as in said By-law set forth.

By-law No. 53 may be inspected by the Shareholders at the Head Office of the Company at any time during business hours prior to the time of the meeting.

By order of the Board.

W. H. NESBITT,
Secretary

Toronto, June 1st, 1921.

Dominion Textile Company
LIMITED

Manufacturers of

COTTON FABRIC

MONTREAL TORONTO WINNIPEG

TENDERS FOR DEBENTURES

SEALED tenders, marked "Tenders for Debentures" will be received by the undersigned up to 6 o'clock p.m., of Saturday, the 11th day of June, 1921, for the whole or part of the Fifteen Thousand Dollars of Debentures issued by the Board of Trustees of the Roman Catholic Separate School for School Section No. 4 of the Township of Calvert in the District of Temiskaming.

These Debentures are payable at the expiration of Fifteen years from the 6th day of May, 1921. Interest at the rate of 6 per cent is payable yearly. Coupons covering interest are attached to debentures.

The highest or any offer not necessarily accepted.

Information regarding debentures may be obtained from the undersigned, or from Fred A. Day, Barrister, Etc., Sun Life Building, Toronto.

A. PELLETIER
Secretary Board of Trustees of the Roman Catholic Separate School, for Schol Section No. 4, Township of Calvert.

THE Toronto General Trusts Corporation

DIVIDEND No. 100

NOTICE IS hereby given that a Dividend of Three Per Cent (3%) has been declared upon the paid-up Capital Saock of this Corporation for the quarter ending June 30th, 1921, being at the rate of

TWELVE PER CENT PER ANNUM

and that the same will be payable on and after Saturday, the 2nd day of July, 1921.

The Transfer Books of the Corporation will be closed from Saturday, the 18th day of June, until Thursday, the 30th day of June, 1921, both days inclusive.

By order of the Board of Directors.

A. D. LANGMUIR,
General Manager

Toronto, May 31st, 1921.

BRAZILIAN TRACTION LIGHT AND POWER CO. LIMITED

Incorporated under the laws of Canada

PREFERENCE SHARES

NOTICE is hereby given that a quarterly dividend of 1½ per cent has been declared on the Cumulative Preference Shares of the Company, payable on the 1st day of July, 1921, to shareholders of record at the close of business on the 15th day of June, 1921.

J. M. SMITH
Secretary

Toronto, Canada, May 31st, 1921

DOMINION TEXTILE CO. Limited

Notice of Dividend

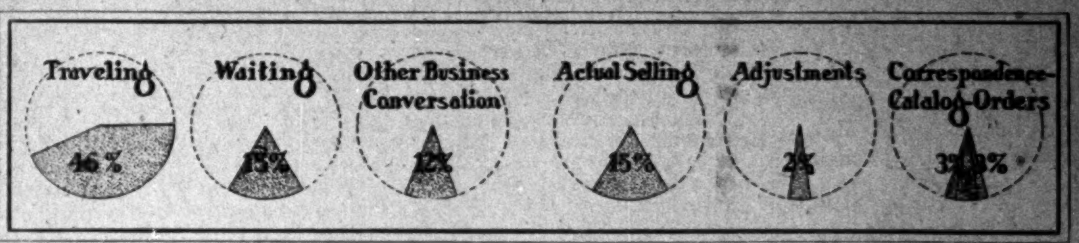
A DIVIDEND of three per cent (3%) on the common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending June 30, 1921, payable July 2nd, to shareholders of record June 15th, 1921.

By order of the Board.

JAS. H. WEBB
Secretary-Treasurer

Montreal, 30th May, 1921.

How Your Salesman's Day is Spent



Adopted from Editorial "Systems," Chicago

Your salesman's time is valuable. Multiply that time by every help you can think of.

The salesman's occupation is coming back. Things used to sell themselves. Quality didn't matter. Price didn't matter. Service didn't matter. But widespread economy in buying has forced a new factor into the sale of all goods. Salesmen on the road and back of the counters must now give sound reasons why the merchandise they offer should have the preference.

Timely, enthusiastic, man-to-man messages in the merchants' newspaper will increase the effectiveness of your salesman's visit. Your merchant will be ready to talk business when he calls.

Now as never before, your merchant is studying ways and means to fight for trade. The day's work for him is summed up in—**how can I hold my business? Will he hold his trade with your goods or with your competitors?** He is studying markets and new business ideas. He is studying prices and turnover possibilities—what a chance to build confidence in your line through your trade newspaper!

Increase each man's sales by preparing the way for his sales call—clear the way for effective work by building up good will for your firm and merchants' confidence in the sales possibilities of your goods, and regard for the salesman's ability to help merchants he is selling.

Your salesman has little enough time left for selling—why not increase the effectiveness of his selling hours by this splendid aid to better business?

The MacLean Publishing Company, Limited

Publishers of the following specialized trade newspapers:

Dry Goods Review
Men's Wear Review
Druggists' Weekly
Canadian Grocer
Bookseller and Stationer
Hardware and Metal
Sanitary Engineer

The Audit Bureau of Circulations checks the readers of all MacLean papers

MONTREAL TORONTO WINNIPEG VANCOUVER NEW YORK CHICAGO LONDON, ENG.

The Heart of Industry

COAL as a source of power is becoming less abundant and more expensive, and consequently large industrial concerns are demanding electric power generated from water power because of its greater economy and dependability of supply. Water Power Companies, because they use but little labor, have no strikes; nor have they any transportation problems. Their business is on a cash basis, and there are no inventories to write off. Earnings are not affected to any extent by business depression.

A study of Hydro-Electric Companies convinces us that their securities represent one of the most desirable forms of investment.

Write for further facts regarding water powers

NESBITT, THOMSON
AND COMPANY LIMITED
222 St. James Street, MONTREAL
TORONTO, Ont. LONDON, Ont.
HAMILTON, Ont. 93

Barcelona Traction, Light, & Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada.)

TO THE HOLDERS OF THE 5½% FIRST MORTGAGE BONDS:

UNDER the terms of the Bondholders' agreement of December, 1918, it was arranged that as from the 1st June, 1921, the interest on the First Mortgage Bonds of the Barcelona Traction, Light & Power Company, Limited, should be increased from 2% to 4% per annum. This provision was made on the assumption that the operating Companies in Spain would, from 1918 onwards, be able to carry on under normal and improving conditions. This expectation, however, has unfortunately not been realized. It is common knowledge that apart from the general difficulties following upon the war, unforseen and adverse events both of an economical and social character have occurred in the Barcelona region which have hindered the development of business, brought about financial stringency, and caused considerable depression in the textile industry, which is such an important factor in the business life of Barcelona. Spanish exchange itself, which until recently has been advantageous, has seriously reacted. In May, 1920, it stood at 22.99 pesetas to the £, whereas in the present month it has been as high as 30 pesetas to the £.

Having regard to the unfavourable conditions mentioned above, the Board of Directors and the Bondholders' Committee consider it their duty, in fairness to the Bondholders, to issue a warning note that although the receipts of the operating Companies have shown considerable increase, it is possible that the net revenue of the Barcelona Company may not justify payment of the interest at the increased rate on December 1st next. The question can only be settled in August when the results of the operating Companies for the first six months of the current year are known. As soon as possible thereafter a definite statement will be issued.

By Order of the Bondholders' Committee.
THOMAS PORTER,
Secretary.
3 London Wall Buildings, London, E.C. 2.
26th May, 1921.

The Canada Landed and National Investment Company, Limited

DIVIDEND NO. 137.

NOTICE is hereby given that a DIVIDEND OF TWO AND ONE-HALF PER CENT. (being at the rate of ten per cent. per annum) on the amount paid up on the Capital Stock of this Company, has been declared for the quarter year to the thirtieth day of June, 1921, and that the same will be payable at the office of the Company, 23 Toronto Street, Toronto, on and after the second day of July, 1921, to Shareholders of record at the close of business on the sixteenth day of June, 1921.

By Order of the Board.
EDWARD SAUNDERS,
Managing Director.
Toronto, 25th May, 1921.

DOMINION GLASS CO., Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1921, payable Friday, the 1st day of July, 1921, to shareholders of record at the close of business Wednesday, the 15th day of June, 1921.

By Oorder of the Board.
MERVYN OFFER,
Comptroller and Secretary.
Montreal, 19th May, 1921.

DOMINION GLASS CO., Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and one-half per cent. (1½%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1921, payable Friday, the 1st day of July, 1921, to shareholders of record at the close of business Wednesday, the 15th day of June, 1921.

By Oorder of the Board.
MERVYN OFFER,
Comptroller and Secretary.
Montreal, 19th May, 1921.

NEWS AND VIEWS FOR MANAGERS

EXPERIENCES IN THE OLD MINING CAMPS OF B. C.

How Banks Carried on Business in Fernie and Other Camps

IN THE OIL FIELDS

Experiences of the Developments in the Rockies Likely to be Duplicated in the Last North-West

What will be the experiences of the banks which pioneer the new oil fields of the north? They will have to meet many problems, the solution of which will be largely in the hands of the managers on the ground. In the following article A. B. Barker, manager of the Toronto Clearing House, gives some first hand impressions of early exprejences in the mining camps of British Columbia which will interest bankers because they refe rto a situation which promises to be duplicated in a general way in the last North-West.—J.W.T.

Banking in a new mining camp at first usually consists of deposits. Twenty years ago, and it is doubtful if there has been much change since in the habits of men as regards money, it was surprising the amount of cash men carried about with them when going into a new camp. If there were banking facilities the use of actual currency was not necessary and they carried their requirements in the shape of drafts, which were negotiated on arrival. In a new district everything has to be brought in from the outside, and until the camp is producing on a commercial scale it is entirely dependent on the outside for supplies of all kinds, including money. A new camp is no place for a man without money. Prices are high, extremely so, and there is no credit given or expected. It is only when the place is more or less established, and people have had a chance to size each other up, that credit makes its appearance. In the making of loans the same rules hold good there as elsewhere; the borrower must establish his bona fides and show clearly that he will be able as well as willing to repay.

In the American camps, where they have had much experience, the bankers were usually private money lenders. They used to base their operations on the theory that the place might last six months and made their loans on this hypothesis, extending this limit from time to time but always keeping in mind that there might be a sudden end to the boom, and their object was to get out in time. Two per cent. a month used to be the standard charge, varied up or down according to circumstances.

There was sense in this, as what causes the boom is the flow of funds from the outside, and when this stops and the camp must live on the pay roll derived from the properties actually working and producing, the population decreases rapidly. Those remaining are of more real service to to the place, but they have little use for frills. Their money comes as hard as anyone's. There is a saying in the West that there are three epochs in the life of a mining camp, the pork and beans, the champagne and the beer. The first is when the prospectors are finding the properties, the second when the promoters are selling stock, and the last when the camp is down to realities. This means means that the wildcats have ceased to howl, and only the real properties are working.

While the Boom Lasts

While the boom is on, the banks will have a good deal of escrow business which is profitable, and no doubt there will be loans against stocks, but with these latter the only safe rule is big margins, and the moment it looks as if the eastern buyers were commencing to investigate, insist on payment, as the collateral can never be liquidated if it has to depend on local buyers. In a mining game of this kind the only ones who make money are those who sell the stocks. Some buyers profit, of course, but, as a rule, a man will get more fun and action out of roulette or poker, with a smaller chance of loss. This does not refer to those who go into the development of mines as a business. They work on other lines, and before spending their money investigate the proposition from a business standpoint, having the ground stripped and prospected by experienced men, and the work based on their reports. Loans to mining companies are in the same category as loans to any other producer. If the ore is on the dump or in transit to the smelter its value can be determined by sampling and assay. The cost of handling and treatment is known, and the advance based on the net yield and the time it will take. There need be no guess work about it. The funds for development of a mine should be supplied by the owners of the property.

In the Oil Fields

Business in an oil district will be much the same, and loans to oil producers will be based on the product. The quantity will be known and so will the cost of shipment and refining, and the amount advanced the producer based on the net returns.

The merchants in the district also need advances, as they must as a rule carry their customers from pay day to pay day. The merchant's statement and past record, either in the camp or in his former location, will be the basis of credit here as elsewhere. As a rule miners are good pay, that is the married ones, though it is generally said that when the women do the family buying the prices are forced down. When most of the unmarried men want credit in the stores, a very general practice is to take an assignment of their pay up to the amount of the purchase.

With prohibition in force much of the old-time excitement on pay nights will disappear. It is impossible to generate enough steam on any two per cent. beverage, but no self-respecting boom camp can get along without "Stud" and "Black Jack."

"Wildcats" Have Uses

In most discussions on mining camps the wildcat and its owner come in for unstinted abuse. They have no friends, largely because there are very few who have not been scratched by some of the tribe at one time or another, but for all that they have their uses. The noise they make serves to attract attention to the particular district in which they are interested, and while they remain active it is a fair sign that there are still good chances of new discoveries. There are no wildcats in a dead district. If a man gets scratched by one of them it is always his own fault. Anyone asked to lend a thousand dollars on mortgage security will investigate the value of the property and the title, but when it comes to buying a mining stock he will often put up his money on the same principles that he trails along in a poker game when someone raises before the draw.

The really strange feature about mining stock is that when a man loses he invariably claims that it was an investment. It is only when he wins that he admits it is a speculation.

THE OPEN DOOR POLICY

Much criticism has been occasioned in Wall Street of recent years because of the attitude of some leading banks to make the heads of these institutions as inaccessible as possible. The air of exclusiveness reached the point in several instances where it did not a little harm to these banks in the way of losing business.

A story is being told around the Street of the head of a large industrial corporation going to his bank, one of the biggest in the country, to see the president. A wait of more than half an hour resulted in his learning the president was extremely busy, likewise the vice-presidents, cashier, etc. Apparently the only one he could see was an assistant cashier.

After a considerable period of "chair-warming," the industrial head flounced out of the bank and walked into the office of the bank's greatest rival.

Here he was met cordially and taken to the office of the president with but a few moment's delay. He immediately drew a check for $10,000,000 on the account of his company in the "exclusive" bank and told the "open door" bank to buy United States certificates of indebtedness with the proceeds.

Needless to say the "exclusive" banker lost no time, the following day, to call at the office of his former depositor and ask the reason for his withdrawal. But it was too late.

GERMAN CURRENCY

A recent report of Howard W. Adams, representative of the U.S. Department of Commerce in Berlin, states that deflation in German currency is now in progress. The third week of March showed a decrease of 39,000,000 marks as compared with an increase of 1,115,000,000 marks during the corresponding week of the previous year. During the first quarter of the present year there has been a total decrease of 1,973,000,000 marks as compared with the total increase of 7,229,000,000 during the corresponding period of last year.

BANKING POSITION IMPROVED IN U.S.

Large Gold Supply Expected to Lead to a Reduction of Money Rates

Improvement in the banking position of the United States, in the last twelve months, has surpassed any previous improvement effected in the same length of time. Official figures compiled by Federal Reserve Board show that 821 reporting, representative member banks have reduced loans, discounts, investments, etc., $1,500,000,000, as compared with a year ago. These banks hold about 40 per cent. of the total loans and discounts and investments, including bills rediscounted with Federal Reserve banks. It seems reasonable to assume that other banks would be able to show about the same rate of reduction in these items. On this basis the 30,139 banks, not including the Federal Reserve banks, should show a total reduction in loans, investments, etc., of $3,750,000,000 in the past year.

To this improvement should be added the reduction of $993,534,000 in loans and discounts effected by the Federal Reserve system—a total reduction, approximately, of $4,750,000,000. Cash reserves of the Federal Reserve system are now $470,596,000 in excess of reserves held a year ago.

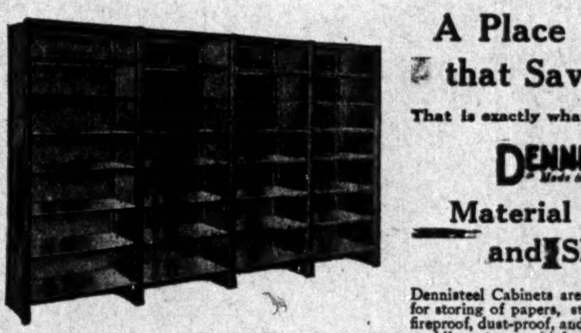
Bankers express the opinion that a further reduction in discount rates by Federal Reserve banks may be expected before summer ends. In fact, the hope for a business boom is based on expectations of generally cheaper money.

It is argued that the U.S. now has more gold than needed. Nevertheless, the yellow flood is expected to continue to pour in as long as present high rates last. In certain quarters belief is expressed that rates have been held up because of the action of retailers, and maintenance of high rates will finally force the retailer to liquidate.

POSTING A NEW VOTER.
(Boston Transcript.)

Wife—John, can you tell me what is the difference between direct taxation and indirect taxation?

Hub—Why, the difference between your asking me for money and going through my pockets while I'm asleep.



We Also Make—Steel Lockers, Steel Bins Steel Lavatory Compartments, Steel Chairs and Stools, Etc., Ornamental Iron and Bronze, Commercial Wirework of all kinds, General Builders' Ironwork
Distributors in Canada for "Boca" Solid Steel Sash.
Write for Folders

A Place of Safety that Saves Space

That is exactly what is provided by both

DENNISTEEL
Made in Canada

Material Cabinets and Shelving

Dennisteel Cabinets are unequalled for office use for storing of papers, stationery, etc. They are fireproof, dust-proof, and provide safety from the meddler or petty thief.

Dennisteel Shelving because of its neatness and fireproof qualities is far superior to any other type of shelving for factory or warehouse use.

THE DENNIS WIRE AND IRON WORKS CO. LIMITED
LONDON
CANADA

Halifax, Montreal, Ottawa
Toronto, Hamilton, Winnipeg,
Calgary, Vancouver.

Could *you* retire in 20 years?

Perhaps you don't want to—but all the same it is a very pleasant feeling to have enough gilt-edged securities tucked away that if business does get troublesome you haven't the slightest worry.

The big point is this—profit is not profit until it is safely invested and bearing interest. There is so much of the average merchant's earnings that are frittered away in non-essentials, when he might create an estate separate from his business load.

THE FINANCIAL POST points the way to safe, sane investment in sound securities. Through the Investors' Enquiry Service you get the bed-rock facts behind any and all investments. Before you buy—write.

The $5.00 invested in THE FINANCIAL POST service for a year will mean hundreds of dollars to you, if you follow the hints, tips and suggestions in the investment of your profits. When so many merchants have found its pages valuable to them, will you not fill in the coupon and find out for yourself just how valuable THE FINANCIAL POST can be to you?

THE FINANCIAL POST,
143 University Ave.,
Toronto, Ont. 1921

On the understanding that THE FINANCIAL POST holds just the facts I need for safe investment, you may send me a recent issue. If I decide not to take it, I will write you within five days—otherwise you may bill me for $5, subscription price for one year.

Name ....

Address ....

Looking Ahead—a Duty

"My Dear," observed Mr. Micawber—"we have time enough before us for the consideration of those 'questions'."

"Micawber," she returned, "no. Your mistake in life is, that you do not look forward far enough. You are bound, in justice to your family, if not to yourself, to take in at a comprehensive glance the extremest point in the horizon to which your abilities may lead you."—
David Copperfield (Dickens)

ONLY too well did Mrs. Micawber know the results of the cheerful, easy-going procrastination of her spouse, who was always expecting "something to turn up".

Her little curtain lecture to dear old Micawber has its application today as well as in their day.

A man may have great ability, he may have splendid opportunities, but if he does not look ahead and provide for the future in the form of carefully selected, earning investments for his savings, he may find his old age without adequate means, and his family placed at a disadvantage.

Every man owes it to himself and to his family to put his money into safe, revenue - producing securities, which can themselves be turned into cash on short notice.

For thirty years the house of Aemilius Jarvis & Co., Limited, have specialized in such securities. If you consult with us, you can depend upon our service, our knowledge and experience, which are placed freely at your disposal, whether your investment is large or small.

Before you invest, consult us.

Write for a copy of "The Investment Guide".

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6

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A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisement."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

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TORONTO, JUNE 4, 1921

CAPITAL, LABOR AND THE PUBLIC

A HEALTHY relationship between capital and labor is largely a question of balance. This involves the mutual interests of the workers and of the employer and of the public—including all workers and employers—in order that there may be a fair return in interest for capital and wages for labor from a product which can be successfully marketed. In the maintenance of this balance there must be continual adjustments. Economic conditions do not stay fixed.

Through the organization of labor unions the status of many of the workers has been greatly improved. A few old-fashioned autocrats helped to give the movement impetus. The unions greatly increased their control of the labor situation during the period of great demand occasioned by the war and marked by the employment of millions in military activities. Now we are experiencing a period of readjustment. Prices of agricultural products have descended to pre-war levels. Basic materials of all kinds have been drawn into the downward movement. Labor, in many cases, is endeavoring to hold to war-time price levels. But labor is, after all a commodity, and it seems inevitable that the labor cost factor in production must also come down whether by lower wages, greater efficiency or better organization.

In such a situation the labor leaders must carefully consider the danger of abusing their powers to the detriment of the interests of the union workers themselves as well as of capital and the public. Apart from the question of wages and hours one weakness in the policy of some unions is the desire to put all member workers on a similar level, no matter what their ability, capacity, or willingness may be. This leads to inefficiency and provides a very important, though not apparent, factor in relation to the cost of production, thus upsetting the balance as between capital and labor on the one hand and producer and consumer on the other.

During the past twenty years or so—and particularly since 1914—unions have been an important factor in raising the wage standards and securing other favors for their members in regard to hours and conditions. To-day labor leaders must consider how best the labor cost factor in production can be reduced in order that the benefits of lower prices for materials may become general and cut down the cost of living. To ignore this phase of the question will only mean that the real benefits of the labor movement may be lost.

TAKING THE HYDRO "OUT OF POLITICS"

PREMIER DRURY is credited by the Hydro press with the statement that "only a man who is thoroughly in sympathy with the Hydro-Electric project will be eligible for membership on the commission." We believe the Premier will rather favor a man who will also give some consideration to the interests of the municipalities not in the Beck ring and of the province as a whole. The Hydro is far from being Ontario.

The Hydro municipalities are playing the old game of using their united voting power as a club over the head of the government. Witness the recent pilgrimage to Queen's Park when it was demanded that the Hydro municipalities be given direct representation on the commission. If this was a sincere proposal to appoint a representative of the municipalities to stand for their real interests against Beck methods of administration, it would be worthy of consideration, but it is a different matter if it means a demand for a commissioner acceptable to Sir Adam Beck who will not oppose his plans under any conditions.

Premier Drury, however, is not showing the same disposition to "fall" for the tactics which have been so effective in the past. In reply to the time-worn argument that the municipalities wanted to keep the Hydro out of politics he said, "Speaking plainly, this association here now—the Hydro Municipalities Union—is one of the tightest political organizations there is."

Mr. Drury fully understands that the idea of Sir Adam Beck in keeping the Hydro "out of politics" is to try to continue to dominate—as he has in the past—the opposition as well as the government and to play one against the other to secure the passage of whatever legislation he desires as well as the unlimited financial guarantees necessary for the furtherance of his schemes.

Mr. Drury showed good business sense in the appointment of the Sutherland Commission and we believe that the conclusions of that body will fully justify his action. The Chippawa project is another matter. Here the government decided that nothing could be done but to push forward to completion the work already started. No one with the interests of the province at heart can hope for anything but success in this fifty or sixty million dollar experiment, but the people are entitled to straightforward figures as to actual performance. At best it will obviously be a matter of years before there will be a market for a sufficient volume of power to carry the overhead charges involved.

THE PHILOSOPHY OF LINCOLN

RED Socialists and lesser Socialists—including labor agitators and public ownership extremists—will find to-day a thought worthy of serious contemplation in Abraham Lincoln's sound philosophy:

> *"Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is and probably will be a relation between labor and capital producing mtual benefits.*
>
> *"The strongest bond of human sympathy outside of the family relation should be the one uniting all working people of all nations, and tongues and kindreds. Nor should this lead to a war upon property or the owners of property. Property is the fruit of labor; property is desirable; is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise.*
>
> *"Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built."* —A. LINCOLN.

What was good for social well-being in the time of Lincoln is just as good for to-day and for to-morrow—nor was it a new theory in his time, although he gave it that characteristic expression which interpreted a complex problem in a simple way. Visionary Utopians are not of to-day alone. They have presented their rose-tinted theories whenever a social crisis has given them a following of the discontented. But they will fail to-day as they have always failed, because they ignore economic fundamentals—fundamentals which have been, are and always will be the same.

THE VALUE OF OUR DOLLAR

THE superstition that Americans make a profit out of the premium on their funds in Canada dies hard, in spite of the evidence to the contrary. Every one realizes that Canadian trade with Europe is falling off, due to the depreciation of European funds in Canada, but no one would dare suggest that this is an advantage to Canada. Many of course do not realize that the currency of one country has no legal status in another country, and that a Canadian dollar is not a legal dollar in the United States, but merely a promise to pay a dollar in Canada.

Similarly an American dollar in Canada is only a promise to pay, which must be collected in the United States. It is at a premium in Canada because our currency is depreciated to the extent of our inability to redeem our promises to pay in specie. This is no fault of the United States, and they are doing their best to correct it by the purchase of Canadian securities. Of the total Canadian bond sales of $324,914,687 last year more than two-thirds, or $223,084,000, were sold in the United States. This does not look as if they were pinching our dollar to hear it squeal. True they hope for a profit from the purchase of these securities, but neither they nor we are in business for fun. They pay the market price and the Canadian sellers are satisfied.

The present premium on New York funds in Canada is a distinct detriment to American trade with Canada, and the fact that a number of hotels and shops in that country are advertising that Canadian money will be accepted at par is sufficient evidence of their desire to retain it, even foregoing a considerable part of their legitimate profit to do so.

Much of the criticism here is on account of the demand for certain classes of American goods in Canada, which helps to swell the balance of trade against us, but this is another matter, due entirely to the belief of the public that they are getting better value in quality or style for their money, and while this belief lasts, so will the trade, unless of course the premium makes the prices too high. Those who prefer American wares must be willing to buy even at the retail prices in Canada, which must allow for the duty as well as the premium on American funds.

EDITORIAL NOTES

THE TORONTO GLOBE last week reported that the Spanish River Company would require 450,000 square miles per year to cut its pulpwood supply. The total area of Ontario—land and water—is given at 407,000 square miles. Little wonder the people get the impression that the big corporations are gobbling up the public domain.

THE Toronto Globe observes that "some day we may see even Sir William Mackenzie seated among the disciples of Sir Adam Beck." What we are more likely to see is Sir William Mackenzie trying to put efficient business methods into the government power system of Ontario as Sir Joseph Flavelle will endeavor to do with the government railway system of Canada.

THE ARTICLE "Vanderlip Was Right" (in his reference to a nation of economic illiterates) reprinted from Commerce Finance in the last issue of THE FINANCIAL POST, has attracted the attention of a large number of industrial managers in the United States and Canada. The special investigator of waste in management in America, who has been at work for seven years and whose report is not yet available, is Dr. Hollis Godfrey, head of the Drexel Institute, Philadelphia.

SANCTITY OF THE CONTRACT

R. B. Bennett K.C., Suggests an Amendment to Constitution

An amendment to the Canadian constitution which would make it impossible for an legislature to pass any law impairing the obligation and sanctity of contracts was suggested by R. B. Bennett, K.C., Calgary, when speaking at the banquet of the Canadian Mortgage and Investment Association at Winnipeg.

Commenting on the movement for a definite understanding as to the future status of Canada as a nation, Mr. Bennett said this might well settle itself in the days to come. For the moment, in order that the world might know and not misjudge, when Great Britain was going through the greatest crisis in its history, Canadians should take every opportunity to show that their hearts beat true to "those over yonder" who had faced great problems and who with great courage and determination had saved civilization for mankind.

Imperial Oil Testing Vast Areas in Western Canada

The Discovery at Fort Norman Was Spectacular But Not Really of First Importance in Relation to the Greater Campaign

THE spectacular conditions accompanying the oil strike last August in the Mackenzie field below Fort Norman have served to distract attention to a large extent from what are really the major phases of the Imperial Oil, Limited, development campaign in the Canadian West.

The Imperial campaign was originally intended to test the oil possibilities of the older settled portions of Alberta. The big Canadian company is primarily a refining enterprise. It went into the game of oil development largely because activity by other interests in the Canadian West had flagged, following the collapse of the Calgary boom. In its drilling activities, two points seem to have been considered.

First, it was desired to test as many areas as possible, without needless duplication. Second, it was planned to secure oil production as near as possible to refining and marketing points.

So, most of the Imperial drilling tests in 1919 were located in Alberta and Saskatchewan; and the Fort Norman venture was largely an incident in a far more comprehensive scheme of testing the oil possibilities of the Canadian West.

A Difficult Field

The oil strike at Fort Norman was rather disconcerting than otherwise; and was far less welcome than a strike in the Southern foothills or Eastern Alberta would have been. For it diverted the attention of prospectors to a field where the difficulties of marketing the output far transcended anything the petroleum industry had ever been called to deal with; and it withdrew attention from the nearest fields, where commercial oil production would have been an immediate asset to the Dominion in general and to the refining industry in particular.

Imperial activities have directed attention to the oil possibilities of the Canadian West. A little of this attention, in the way of actual drilling, has been diverted to the settled areas of the Western Provinces. Most of it, thanks to the Fort Norman discovery, has gone north to the fringe of the Arctic Circle. The Imperial drilling operations to-day constitute the backbone of a development campaign that, while it is costing a great deal of money, is still meagre in proportion to the area to be tested and the thorough development work that would result in an American area of equal possibilities.

An Unknown Quantity

So far, the only commercial oil discovered through the Imperial operations is that of the Fort Norman well, in the Mackenzie field. All sorts of estimates of the production have been given. Nobody knows definitely what the production is. The well has never been given a capacity test; no official estimate has ever been made; nor is the permanency of the production determined. It looks like a large well. That is as far as responsible people are willing to go.

Last fall Imperial Oil, Limited, located a second test on Bear Island, in the Mackenzie, opposite the discovery well. The company has one drilling outfit in the field, and has taken four more outfits north this Spring. This would indicate an intention to drill five tests on the Mackenzie. It is understood that three of these will be drilled on the same side of the river as the discovery well, one on Bear Island and the remaining one on the opposite side of the river.

In the Great Slave Lake area, Imperial Oil Limited has one test drilled to 457 feet at Windy Point, on the north shore. This test has been shut down all winter, will resume work this spring, and will probably be finished this season.

The foregoing is the extent of the Imperial activities in the North-West Territories. The two areas being tested are between 300 and 400 miles apart.

Compared with these activities, the operations in Alberta and Western Saskatchewan, gradually developed since 1919, are far more thorough and comprehensive. They to-day cover the likeliest areas in both these provinces. Of the dozen tests drilling or located, every one has been selected with regard to sound geological considerations.

A series of these drilling tests are strung along what is known as the foothill belt. This is a strip of territory, running northwest and southeast, a short distance east of the Rocky Mountains, and paralleling the Rockies all the way from the international boundary to the Arctic Circle. Along this strip, the folding of the rock formations creates the sort of geological structure where oil is likely to accumulate and be retained. For the greater part of this distance the oil formations are too deeply buried to be reached by ordinary drilling; but there are certain limited areas, where, as in the Okotoks field southwest of Calgary, the crest of the foothills has been gouged out, perhaps by glacial action, and the oil formations brought within reach of the drill.

Close to the international boundary there is one such area generally known as the Twin Butte field. Here are two tests, approximately eight miles apart, the deepest being down about 2,500 feet. There have been occasional wild rumors as to "wet gas" discoveries in these wells; but the general opinion of experts is that nothing of commercial importance will likely be developed short of 3,500 feet.

Some distance further north, another foothill area, the Willow Creek field, west of Nanton, is being tested. Besides its own original test in this area, Imperial Oil Limited last year made arrangements with the Alberta Associated Oils, Limited, of Calgary, to complete a well started by that company some years ago. This "Christie" well, as it is called, may reach the producing sands this year; it is now down around 3,000 feet.

Northwest of Edmonton, Imperial Oil is this spring commencing a new test in another foothill area, known as the Pouce Coupe field. This test is reported ready to start drilling. It is located on Pouce Coupe creek, a tributary of the Peace River, and Rolla, B.C., is the nearest town, though the test itself is on the Alberta side of the provincial boundary. The district was thrown open to leasing only last December, having previously been forest reserve; and the Imperial activities have stimulated a widespread leasing boom, hundreds of thousands of acres having been blanketed.

On Prairies, Too

So much for the foothills. Another group of wells is located in Eastern Alberta and Western Saskatchewan, from the little town of Czar south toward the international boundary. On the Saskatchewan side there are three wells drilling. The southernmost of these, quite close to the boundary, is just south of Consul. Further north is a test at Muddy Lake, near Unity. A third test is being drilled under arrangement with the Great West Natural Gas Corporation, on the latter's leases near Rush Lake. All these Saskatchewan wells were started in 1920.

On the Alberta side of the boundary, one of the newest tests of Imperial Oil, Limited, is located in the Misty Hills region, south of Monitor. Monitor is hard to find on the maps; but on the oil map it looms big, for several other companies are at work east and south of the town.

North of Monitor, and south of Czar, what is probably the most important of all the Imperial wells is drilling, and has been drilling for nearly two years, on the Tit Hills anticline south of Czar. This well was commenced in 1919. It was deliberately planned for a deep test. An extra heavy drilling outfit was brought in, and drilling was started with an exceptionally large hole, the purpose being to drill to 5,000 feet if production could not be secured at shallower depth than that. The hole is now down about three-fifths of the distance. Every once in a while a rumor gets afloat that the Czar well has struck oil or gas—preferably "wet gas." That seems to be the way of oil-fields, or prospective oil fields. The absence of any official confirmation of these rumors is, however, significant.

The test south of Czar will do more than prove the presence or absence of oil in the immediate locality. Carried to this depth, it will throw an immense amount of light upon the possibilities of all Eastern Alberta, and will test a large area where the surface indications were regarded as fairly encouraging.

In addition to these activities, Imperial Oil Limited is assisting in the further development of the Okotoks field, southwest of Calgary. This is the field which, seven or eight years ago, started the famous Calgary boom. The pioneer company, the Calgary Petroleum Products, Ltd., headed by A. W. Dingman, formerly of Toronto, spent a lot of money in honest development work, developed a little oil, and a lot of wet gas in its two Dingman wells, and went into debt to build a gasoline absorption plant to extract gasoline from the wet gas. This, the first plant of its kind in Canada, was barely in successful operation when it was burned down, last October.

Since then, negotiations with Imperial Oil Limited have resulted in the formation of the Royalite Oil Co., in which the original company has a large interest, while the Imperial secures additional funds to clear [illegible] outstanding obligations and [illegible] the projects. Under the [illegible] company, the gasoline [illegible] plant is being reconstructed, [illegible] No. 3 well has resumed drilling, [illegible] a fourth test will be put down. [illegible] from taking advantage of the [illegible] company, the Imperial interests [illegible] treated them generally under [illegible] arrangement.

The foregoing is an accurate [illegible] of the Imperial activities in the [illegible]dian West. Not including the [illegible] enterprise, Imperial Oil Limited [illegible] as will be seen, 20 tests for oil [illegible]ing, located or in contemplation [illegible] present season; in addition to the [illegible]posedly completed well below [illegible] Norman, where some work is [illegible] still to be done. These 20 wells [illegible] testing ten different areas, [illegible] scattered over a territory [illegible] great as all the American [illegible] combined, with all their [illegible] wells. Two of these areas are [illegible]ductive: the Okotoks field, on a [illegible] scale, and the Mackenzie or Fort [illegible]man field on an indefinite but [illegible] very large scale.

A great deal has been printed [illegible]garding the "feverish activity" [illegible] shown by competing interests [illegible]velop the oil resources of the [illegible]dian West. The Shell interests, [illegible] Cowdray interests, and other [illegible] less vague but supposedly [illegible] enterprises are represented [illegible]gling with the Imperial as [illegible] shall be the first to get the oil. [illegible] from showing feverish activity [illegible]ever, the Shell interests, [illegible] reveal a temperature quite [illegible] or even sub-normal. So far as a [illegible]vey of Western activities [illegible] they are doing absolutely nothing [illegible]

In fact, these big British inter[illegible] have their way of doing things. [illegible] years ago the Shell Transport [illegible] Trading Company, Ltd., made a [illegible]position which involved a monop[illegible] drilling operations in the great [illegible]tial oil territory of the far north. [illegible] proposition the Dominion Govern[illegible] ultimately turned down; as the [illegible]tish Columbia Provincial Governm[illegible] did with a similar proposition [illegible] the Anglo-Persian Oil Co. for the [illegible]velopment of the Peace River [illegible] of Northeastern British Columbia.

Several Toronto, Montreal and [illegible]couver companies are taking [illegible] into the Mackenzie and Slave [illegible] fields; some American capital [illegible] some Canadian capital is [illegible] Alberta; and one or two British [illegible]panies are nibbling at the oil [illegible]bilities to the extent of sending [illegible] oil scouts and geologists. But [illegible] present the carefully planned and [illegible]prehensive campaign of Imperial [illegible] Limited represents the backbone [illegible] Western oil development.

PERSONAL

H. A. H. BARKER, who has been [illegible] assistant manager of the Sun Life [illegible]surance Company at Winnipeg, [illegible] his training in life insurance with [illegible] Equitable Life of New York, in [illegible] office he also held the position of [illegible]ant manager. When that company [illegible]drew from Canada he became one of [illegible] city managers for the Sun Life [illegible] D. J. Scott. He now assumes the [illegible] responsibilities of assistant manag[illegible]

WILLIAM FERNIE, pioneer [illegible] Coumbia, prospector, miner and [illegible]ist, after whom the city of Fernie [illegible] named, has died at Victoria. Mr. [illegible] was an Englishman who settled [illegible] British Columbia in 1860 after [illegible]ing around the Antipodes since [illegible] and started prospecting for gold in [illegible] province. He was gold commis[illegible] from 1873 to 1882, and in 1887 [illegible] the coal deposits in the Crows' [illegible] Pass. With the late Col. Baker [illegible] one of the founders of the Crows' [illegible] Pass Coal Co. and the B.C. [illegible] Railway.

JAMES B. FORGAN, chairman of [illegible] board of directors of the First Nati[illegible] Bank of Chicago, who had early [illegible]ienee in the Bank of Nova Scotia, [illegible] been informed by M. de [illegible] French consul in Chicago, that the [illegible]dent of France has conferred the [illegible] of an officer of the Legion d'Hon[illegible] upon him in recognition of his [illegible] during the war, says The Americ[illegible] Banker. Mr. Forgan was actively inte[illegible]ested in doing everything possible to [illegible] the Allies and this country by giving freely of his time and money. His [illegible] counsel was frequently of great [illegible]ance in settling the many difficult [illegible]ancial problems which presented [illegible]selves during the war, and he was [illegible] untiring in his efforts to help [illegible] the sufferers of Europe. [illegible] Mr. Forgan has been confined to [illegible] house by a slight indisposition, so that it has not been possible to fix the exact date when the formal conferring of the decoration will take place.

M. LE SENATEUR GASTON MENIER, who has been appointed as Comite Con[illegible]sultative of the Bank of Montreal (France), has large business interests in Canada. He is the owner of the Island of Anticosti, a large island, one hundred and thirty-five miles long and thirty miles wide, at the mouth of the St. Lawrence River. The late Henri Menier acquired the island in 1896, stocked it with game and built a beautiful chateau. On succeeding to the property, Mr. Gaston Menier continued the work of developing the large [illegible] resources of the island and it now [illegible] a model settlement, pulp mill, canning factory for fish and lobster, and other activities. Mr. Menier pays frequent visits to Canada and knows Canadian conditions thoroughly. His co-operation will no doubt materially assist the Bank of Montreal in furthering the interests of Canada and Canadians in France and in developing the commercial intercourse between the two countries.

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Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

CANADIAN PACIFIC

W., Powell River, B.C.—Will you kindly give me your opinion of C.P.R. as an investment for a man of ordinary means?

We feel that C. P.R. common stock offers not only a safe, but a desirable investment. For a man of "ordinary means" as you say, it would not be advisable to put a large amount in this as no matter how strong a company is or how attractive an investment, it is usually wiser to distribute one's investments as this offers a larger margin of safety in case of an unexpected reverse coming to any individual concern. In favor of C.P.R. as an investment there is the fact that with the burden of the war and the following two years at an end the company is receiving more adequate rates, and in a short time we believe the wage scale will be materially reduced. Following upon this reduction, of course, will come a reduction in rates, but the net results to the railway with this and a steady decline in the cost of materials used in the upkeep of the road should result in improving the net earnings of the company from now on. The present year will show a decrease, we think, in gross earnings, owing to the fact that business has fallen off all over the country, but the net earnings statement so far is promising. Not only is the company one of the best managed railroads in the world, but its territory is such that it is certain to grow with the development of Canada. Moreover it has in its Western lands a very valuable asset, not to speak of its steamships, telegraph and other sources of revenue. These departments should furnish to the company an increasing revenue and assure the maintenance of the present 10 per cent. dividend. At some time a large portion of the land and other assets should reach the shareholders either in the form of increased dividends or through the organization of a different company. The price of the stock has had a very marked decline in the past few years and unless some unusual conditions arise we feel it should be near the bottom and in the next two or three years should move upwards to a considerable extent.

CANADA CEMENT

Fonthill.—I have 15 shares of Canada Cement common which cost me 64⅛ and 10 shares which cost me 55. Will you please advise me what you think of this stock? Do you consider the investment fairly safe and that the present dividend rate will be maintained?

It is impossible probably for anyone to guarantee that the dividend on Cement common will be maintained during the present year. At the time of the annual meeting, the general manager, F. P. Jones, gave the shareholders to understand that he considered that the surplus which had been piled up in good times should be used during a period where earnings fell below the mark to maintain the common dividend. How far this can continue, however, is open to question. Last year the company earned only about 3 per cent for its common dividend, and the year before slightly less than the 6 per cent. required. It seems certain that this year the earnings will not exceed those of last year. That would make three years with the common dividend not earned. At present there is no sign that building operations will improve during the present year. There are two reasons for this. One is that the ordinary building of houses, of which there is a great scarcity, is being held up on account of the high cost of labor and materials and will not enter into the field until these are very materially reduced. The second reason is that whereas last year a large number of businesses were planning extensions the change in business conditions has reversed most of these plans and it seems likely that it will some time before even an average extension of manufacturing equipment will be carried out.

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P. T. LEGARE BONDS

F.L., Montreal.—I generally read THE FINANCIAL POST and have great faith in its information. Would you kindly state what you think of the P. T. Legare Company, Limited, $1,200,000 7% first mortgage bond issue.

We look upon this as a safe investment. There is a large equity behind this issue, and in addition you have a company that is unusually well organized throughout the Province of Quebec and capably managed, and which appears likely to develop considerably more even than it has in the last few years.

CANADA CEMENT

Subscriber, Powell River, B.C.—What is your opinion of Canada Cement common as an investment?

At the present time we could hardly advise an investment in Canada Cement common. The company is in the position of having barely earned its dividend in 1919 and of earning only ½ or 3% on its common stock last year. As far as we can learn the earnings for 1921 will certainly show no better result than last year and the question of modifying the common dividend of 6 per cent. might become a serious one early next year unless conditions show a marked improvement. This we trust will be so, but in the meantime we feel that you would be well advised not to invest in this stock. The company is in a strong financial position and has built up a good reserve, and when normal building conditions return it should again offer a fairly attractive basis for an investor. Common stocks, however, these days are rather treacherous owing to uncertain business conditions. A large number of companies in the United States have already passed their common dividend and many more may follow, and several already have done so in Canada. We would not advise investment in any common stock at the present time until one was certain that the readjustment to new conditions and deflation process in the industries had been completed and a definite turn for the better was in sight. This cannot be said of the cement business.

Letters to the Editor

BRITISH INCOME TAX

The Editor, The Financial Post:

Sir,—You were recently good enough to insert a letter from me on the above subject and as a fresh point has now arisen, I am taking the liberty of writing again, I am now pleased to inform your readers that as a result of prolonged negotiations with the Inland Revenue, all persons receiving income through a British trust are entitled to recovery of tax in exactly the same way as if no trust existed.

The position of residents abroad in relation to British income tax is, therefore, as follows:—

(1) All British subjects can recover the whole or part of any income tax deducted from their dividends, annuities, rents, etc., for 1920-21, and in future the exact amount depending upon their total income.

(2) All Crown servants, serving or retired or their widows, missionaries and persons resident abroad for the sake of health can claim as above for three years back.

(3) Every person abroad, British subject or not, can recover the WHOLE of the tax deducted from British war loans or Exchequer bonds, and foreign and colonial securities for three years back, whether held in trust or not.

I shall be pleased to advise, without charge, any of your readers who care to write me exactly how any of the above claims should be prepared.

Yours faithfully,
WILFRED T. FRY.

421, Strand, London, W.C. 2,
May 13th, 1921.

PUBLIC OPINION GROPES

The Regina Leader.

At the present time a large section of the public mind has lost its bearings. The war gave the world a jolt that will take it a long time to get over. The thoughts of large bodies of people the world over have left the channels they formerly followed and are now seeking new channels. Western Canada was hard hit last year by a slump in prices of agricultural products that came hand in hand with increased railway freight rates. A good many people do not appear to have been able to properly assess the responsibility for the blow that staggered them. All that they realize is that they have been hit—and they are ready to hit back at whatever authority is nearest. They don't know what they want. They only know that they want something. They are convinced that whatever is is wrong, and that any change would be an improvement.

This is not an empty picture. It is a plain statement of the frame of mind in which hundreds and thousands of normally level-headed people in the prairie provinces find themselves to-day, as a result of the unusual course of economic events in the last few years; and when people are in that frame of mind it is difficult to prophesy what they will do. They are material ready-made for self-seeking demagogues, whose plausibility can mold them to any course of action. They are the stuff with which Governments are swept out of office and impractical theorists enthroned in their places. They were the agents of Arthur Townley in 1916, when he carried North Dakota for the Non-Partizan League and headed it straight for the rocks on which the credit of that state has since foundered.

Moscow despatch says Russia has printed 1,168,000,000,000 paper rubles since January 1, against 225,000,000 issued in same period last year, new issue being sufficient to cover 87 per cent. of current budget.

Buying Securities on The Instalment Plan

From the "World's Work."

MORE and more frequently the Investment Editor is being asked if he approves of the purchase of securities on the instalment plan. He does, provided they are good securities and purchased through reliable houses. If purchased through unreliable houses the investor may lose money even though the securities be good. So the first consideration is the character of the house.

These frequent inquiries regarding the partial payment method of buying stocks and bonds come largely from those who made their first investments in Liberty Bonds that way during the war. These people have been surprised to see how much they saved and invested during the war. They now want to do the same thing again.

Unfortunately for them a good many of the houses that are now advertising to sell securities on the partial payment plan are not reliable houses. This plan affords an easy way to operate a "bucket-shop"—that is to take orders and not execute them; or if they are executed, to immediately sell the securities for a dummy account. There is reason to believe that several houses are carrying on the partial payment business in this way. They are betting against their customers that they will be able to buy the securities in the market at lower prices than their customers are paying for them before they have to make delivery of them to their customers. Meanwhile these houses charge the customer interest on his unpaid balance although they have employed none of their capital in the operation at all. That is what makes the business so profitable to such houses and explains why so many of them of doubtful reputation have gone into it. It is true that some of them have considerable capital back of them and are able to make good on their deliveries even though the market goes against them. But the danger to the investor is that such houses influence him to buy securities which they believe are going down or which are of such speculative character that they fluctuate widely in the market.

There is a partial payment house in Chicago dealing largely in New York Stock Exchange securities, which loads the customer with a fee that adds 4 per cent. to the market value of the securities. With this large profit, this house is able to employ accomplished advertising writers and to do extensive advertising wherever its advertising account is acceptable. It is reported to be doing a large business, which is another evidence of the growing desire on the part of the public to purchase securities on the instalment plan. It recommends stocks that are highly speculative and not suitable for purchase as investments under any consideration, certainly not on the instalment plan. At the head of the house is a man who was previously engaged in the get-rich-quick promotion field.

Little Profit Made

Reputable houses which have gone out after partial payment business in the past and have handled it on a basis which they considered fair to the investor, or in accordance with the rules of the New York Stock Exchange governing this class of business, have made little or no profit on it. The detail work in connection with the instalment accounts has absorbed all the commission. But today more and more investment houses are seeing the need of this kind of service for our new investors, and the reliable channels through which good securities can be bought in this way are steadily growing in number. This is one of the important developments in the investment business. There are to-day not only reputable houses that will sell securities on the instalment plan if a customer asks them to do so—most of them will do that—but there are reliable houses handling practically every class of investment security that are now making a feature of this method of selling and are inviting investors to buy that way.

The importance of this can hardly be over-estimated. It is a way of bringing good securities to our new investors. It is one of the most effective means of combating the get-rich-quick promotion evil. The average man or woman starts buying the plausible promoter's offerings because they think they have not enough money to make a real investment. If good investments are made as easy for them to buy as Liberty Bonds, they will not have as much money for the promoter. The head of a large investment house which has sold bonds on the instalment plan for some years says, that in his opinion, if the partial payment plan were used by all reputable investment bankers and banks with bond departments, to the utmost of their ability regardless of cost, the field left for the "Blue Sky" promoter would be very small.

It is an excellent thing for an investor who has been attracted by the advertisement of a partial payment house about which he knows nothing to consult with his local banker. Let him take the plan of the partial payment house to his banker to be analyzed. The banker may know the reputation of the house. An analysis of the plan may show that the investor is paying more than he should for his securities. He may be entering into a speculative operation in the stock market under the belief that he is investing. A country banker in Pennsylvania says, "We have been approached many times by men asking how to buy stocks on margin and in some cases customers have come with advertisements outlining beautiful partial payment plans. Of every one of these customers we inquired why they desired to buy on margin, and in every particular instance we have finally purchased sound securities to the amount desired, and the customers have placed them as collateral for notes and have gradually paid off these notes from month to month or from quarter to quarter until they were paid."

How the Country Banker Can Help

The country banker can become an important element in the investment business in this way. He already has the machinery in his loan department to handle these partial payment accounts. He can render this service for the new investors of his community much easier and cheaper than the investment house can handle it over a widely distributed field. He can interest people in this method of investing where the large city banking house can not reach them. He is on the ground where he can talk to the people, and they know him. He is in the best position to fight the "Blue Sky" promoter. This Pennsylvania banker tells of a farmer in his community who wanted to invest $2,000. A neighbor had been talking to him about a certain oil stock that had been painted in glowing colors. The farmer came to see the banker. Before he left he was persuaded to buy $500 Third Liberty Loan bonds, $500 Dominion of Canada bonds, 5 shares of Standard Oil of New Jersey preferred stock, and 5 shares of Northern Pacific stock. Within less than a year this small country bank purchased for its customers $90,550 worth of bonds and $176,000 par value of good grade stocks. This was rendering a valuable service to the community. The country banks can be the advance agents of the reliable investment banking houses. In the years to come we are going to see a larger investment business done in this country than ever before, and the country banks should be an important means to gathering together small savings for conservative investment. They are the best friends that a small investor can appeal to in connection with partial payment purchases.

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Yielding 6% to 8%

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EVER HEAR HIM?

(Forbes' Magazine)

While riding as a coach passenger on an eastbound Grand Trunk train from Detroit, I observed that the brakeman entered the coach and about midway of the car stopped and giving the coach the complete double O, delivered himself as follows: "The next station is Hamilton in the Provincial territory of Ontario. Passengers for St. Catharines, Merritton, Suspension Bridge, Niagara Falls and Buffalo will find their train five tracks over to the right. This train for Toronto via Oakville, Port Credit and Sunnyside. Hamilton passengers will please leave by the rear door."

Again looking up and down the care carefully he continued: "Passengers will please not forget your luggage and parcels in the racks"—pause—"your overcoats and umbrellas on the hooks"—pause—"your overshoes and toe rubbers on the floor—and spats." And the wonder of it all was that his enunciation was so clear you could understand what he said.

New Issue $2,500,000

City of Edmonton, Alta.

20-Year 7% Bonds

Dated June 1st, 1921 Due June 1st, 1941

Principal and half-yearly interest (1st June and December) payable in Toronto, Montreal, Winnipeg or Edmonton, at holder's option.

Denominations: $1,000 and $500.
Legal Opinion: E. G. Long, Esq.

Price: 99.00 and Interest,
Yielding about 7.10%

Write for descriptive circular, or telegraph or telephone your instructions at our expense.

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National Trust Company
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6% COUPON BONDS
Due May 2, 1936
PRICE: 99.50 and interest
To Yield 6.05%
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INCORPORATED
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We own and offer:
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City of Montreal 6% Bonds
(Protestant School Commissioners)
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Building Industry
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The Financial Post of Canada - 143-153 University Ave., Toronto

PROGRESS AND THE BATHTUB

(The Nation's Business)

Whenever a man starts to launch a new enterprise or sell a useful but hitherto unheard-of article, let him stop and recall what happened when bathtubs were first introduced. Within the memory of many people still living, the bathtub was lambasted as a menace to democratic simplicity and a danger to health.

An ordinance was introduced in Philadelphia—and almost passed—to prohibit bathing between November and March. Boston made bathing unlawfull except on medical advice. Virginia imposed a tax on bathtub owners of $30 a year. Yet everybody knows now that having a bathtub in the house is a first-rate idea. Bathing was probably even more needed then. But people resented bathtubs because they were new. Many new ideas are made commercially successful. But usually there are difficulties.

NEWS OF THE BOND MARKET

HEAVY DEMAND ON BOND MARKETS IN NEXT FEW MONTHS

Many Government and Municipal Offerings Under Contemplation

STEADY PRESSURE

Will Markets Be Able to Absorb All Issues Pending and Now Offering?—Bond Men Apprehensive

The powers of absorption of the Canadian bond markets will undoubtedly be distended to the uttermost in order to take care of the large number of bond issues which are now pending, in addition to those that are on the market. For several weeks the receptive abilities of the markets have been taxed to take up the issues that have been forthcoming with regularity, and with still heavier financing in view by a number of municipalities, provinces and corporations financial men are beginning to wonder as to the possibility and advisability of marketing the several large issues that are now under contemplation.

Just at the moment investors are taking up issues to the total of approximately $18,000,000, a large amount of money especially in view of the heavy demands of the past. It is understood that about $1,000,000 of the recent $15,000,000 issue of the Province of Ontario is still undigested. In addition there is the $5,000,000 issue of the city of Toronto, which was placed on the market at June 1; a new issue for $1,000,000 by the province of Alberta; about $1,000,000 of the Greater Winnipeg Waterways bonds, still unsold; $3,000,000 by the province of British Columbia; $2,400,000 Lethbridge Northern Irrigation bonds guaranteed by the province of Alberta; $2,580,000 province of Manitoba; $2,500,000 city of Edmonton. In addition there are numerous issues of smaller municipalities, as well as several large industrials which will considerably swell the above total.

Ontario and Toronto

There is every indication too that the province of Ontario will be back in the market on several occasions before the close of the year. The province must still raise about $35,000,000 in addition to the heavy issues of the past few months. There is $10,000,000 in six months' notes falling due on October 15, and which will doubtless require renewal. A large part of the necessary expenditure of the year arises out of the completion of the Chippawa project, although heavy inroads will be made upon the provincial exchequer for other legitimate purposes.

Then again the city of Toronto will no doubt require further revenue during the year, placed according to estimates at $15,000,000 or $20,000,000 in addition to the present issue of $5,000,000. The further financing will be largely for a similar purpose the acquisition and rehabilitation of the Toronto Street Railway. This deal will be completed this year.

Other Provinces

Other municipalities and provinces too will require to do some financing later in the year. It is said that the province of Quebec will place an offering of $5,000,000 on the market in the near future. While it would appear that British Columbia, Alberta and Manitoba have looked after their requirements for the present year, there is a probability that the province of Saskatchewan will require an additional $2,000,000. The Maritime Provinces, too, will no doubt be requiring further capital, but it is probable that the greater part of this financing will be done locally.

Faced with the problem of providing a market for these issues, there is developing a feeling of wonderment in financial circles as to the effect of this steady pressure. Will it be possible to absorb all offerings without seriously disturbing the equilibrium of the markets? There is a feeling, too that in view of the situation and outlook it would be profitable for governments and municipalities to adopt a policy of rigid economy and delay entering the market as long as possible in their own interest. It is probable that a number of offerings will seek a market in New York, but it is doubtful whether conditions on the other side are as favorable as could be desired. The reserves of the New York markets have been drawn upon heavily of late through the $100,000,000 loan to France and the $25,000,000 loan to Brazil. The U.S., however, has remarkable powers of absorption and doubtless will shortly be in a position to take care of much additional financing.

LONG RANGE ADVERTISING

Investment houses spend many thousands of dollars every year circularizing their customers. That they have continued to do it for so many years is evidence that this form of business-getting pays in the end, but sometimes the results in connection with particular prospective clients are very discouraging. It is often a hard question to decide whether a particular name should be kept on the mailing list or dropped.

One investment house received an inquiry eight years ago as a result of an advertisement they inserted in a financial paper. They followed up the enquiry and from time to time continued to send circulars and offering sheets to the man who had enquired. After eight years of steady bombardment, the first order was received from the man investor a few weeks ago. It was for a large block of municipal bonds, and the firm's margin on the transaction repaid them for their development work for eight years.

NO SINKING FUND WAS ALLOWED FOR

Therefore Prince Albert's Electric Plant Did Not Show a Profit

Some pointed recommendations in connection with the municipal affairs of Prince Albert are made in the report of the city auditors, O. J. Godfrey and Company, in dealing with the statement of the treasurer. Particular criticism is directed to a statement that the electric light plant had made money, when no depreciation had been provided for. A change is also recommended in connection with the sinking fund in the interests of the bondholders.

"The amount of material shown on hand is a very great increase over last year. This is accounted for by the large amount of stores at La Colle Falls, which is now taken into store. We cannot, of course, take responsibility for this item. We think, however, the council should be advised that the inventory of these stores has been taken at more than cost.

"We have again to comment on the fact that in our opinion inadequate provision for depreciation is made. It is not correct to say that the electric light plant made the profit shown in the annual statement because the depreciation has not been provided for. We urge this matter to the very careful attention of the council, as otherwise we are afraid that in time to come serious difficulty may follow.

"It will be noticed that we have not deducted the sinking fund from the value of the capital assets and liabilities this year and we do not propose to do so for the future. This is because we believe that under section 13 of the bondholders' agreement, the sinking fund is earmarked to take care of any possible deficit on bond interest levies."

TO PAY HIGH FOR WATER

C.P.R. Would Like Saskatchewan Project to Go Through

So anxious is the Canadian Pacific Railway to see the project to divert a supply of water to Southern Saskatchewan from the South Saskatchewan River that assurance has been given that $140,000 a year will be guaranteed, this amount to be paid whether the amount of water taken accounts for such a total or not. The company anticipates that it would be able to make considerable reduction in boiler repair bills as the result of a better supply of water. It is anticipated that the C.N.R. would also back the project substantially.

MOUNT ROYAL ISSUE

It is announced by N. A. MacDonald & Co. that owing to the favorable reception that the Mount Royal Hotel (Montreal) issue has met with, it has been decided to reduce the bonus of common stock from 40 per cent. to 30 per cent., the reduction to take effect in about ten days.

EDMONTON TAXES WERE COLLECTED WELL LAST YEAR

City is Making Strides Towards Sound Financial Position

NEW TAX APPROVED

Will Provide Additional Revenue For City—Utilities Lost on 1920 But Gain Again This Year

From Our Own Correspondent.

EDMONTON.—The financial statements of this city still reflect the results of the pre-war boom, but progress is being made from year to year, and the report of the city comptroller, David Mitchell, for the year ended December 30 last, together with the statement of the civic finances for the first three months of the present year, indicate that definite steps in the right direction are being taken.

The adoption of the minimum service tax by the city council will undoubtedly provide a certain additional revenue that will help the city along financially. There is no civic income tax in this province on the same scale as in Ontario, for instance, and the minimum service tax is aimed to supply the deficiency.

The city's funded debt at December 31 last was $25,556,103, of which $9,886,395 comprised utility debentures. Deducting the sinking fund and special and utility debentures, the net debt totals $9,377,801. The total sinknig fund, including sinking fund on utilty debentures, totals $6,022,846.

Tax Arrears Are Heavy

Tax arrears accumulated at the close of 1919 totalled $7,280,740, of which $1,996,209 was the arrears on lands forfeited to the city. During 1920 collections of arrears were effected to the amount of $1,075,366 applied to redemption of short term loans. Total arrears as at December 31 last were $7,824,266, of which $2,545,150 represented tax arrears against lands forfeited to the city.

A further contribution was made to the reserve against uncollectable taxes of $310,000 and the reserve was drawn on to a small extent leaving the total amount at the end of the year $923,811.

The percentage of current taxes collected during the year amounted to 73.39 per cent., an appreciable improvement over previous figures: 1916, 49 per cent.; 1917, 55 per cent.; 1918, 54.5 per cent.; 1919, 69.36 per cent.

Total Collections Improved

The combined collection of current taxes and arrears amounted to $4,408,461 for the year 1920 as compared with $3,641,702 in 1919.

The operation of the several public utilities was not so successful as in 1919 as there was a net deficit of $89,187 as compared with a net surplus of $147,148 in the previous year.

In the utilities improvement is being shown this year over last year for up to April 30 the net result had been a surplus of $95,469 as against a surplus for the corresponding period a year ago of $25,298.

MUNICIPAL FINANCES IN ALBERTA

(Edmonton Journal)

R. A. Donald, writing in THE FINANCIAL POST, sets forth the position of the bondholders of defaulting western municipalities. He states that no meeting of bondholders ever demanded that the provincial government should assume the bonds, but that the utmost asked was "careful supervision and actual management if necessary." There is nothing unreasonable about such a request, and the Alberta government has served the interests of the province in the disposition which has been shown to meet it. We shall be large gainers in the long run because of the contrast between the policy adopted here and that adopted in Saskatchewan.

BOND MOVEMENTS OF THE WEEK

Bonds—	Int. Rate.	Due Year.	Yield.	Range 1921. High.	Range 1921. Low	Latest price week end. May 30. Ask	Bid	High	Low	Sales
Bell Telephone . .	5	1925	7.04	93½	91¼	92¼	92	92¼	92	$3,100
Can. Cement . . .	6	1929	7.35	94	91½	..	92	91½	..	100
Can. Cottons . . .	5	1940	7.08	79	78	..	78¼	78¼	..	500
Can. Converters .	5	1953	5.78	89¾	87½	..	..	95	90	15000
Cedar Rapids	5	1953	5.78	89¾	86⅛	..	88½	89	88½	22,000
Domfl Cotton . .	6	1922	7.25	98¼	96	..	98½	98¼	..	15,000
Dom. Textile (C).	6	1925	7.31	95	90	..	94¾	95	..	1,000
Dom. Iron . . .	5	1929	8.70	82	75	78½	78	78¼	77½	9,100
Montreal Dec. '22	6	1922	2.40	108	96½	..	107¼	107⅛	107	1,500
Montreal Sept. '23	6	1923	6.32	99¼	97¾	..	99	99¼	..	500
Montreal May '23	6	1923	3.90	108	103	..	105¾	105¾	..	200
Nat. Breweries . .	6	1939	6.87	92⅞	90	91	90	91	..	5,000
Quebec Rly	5	1939	8.80	68	59	65	63½	64¼	63	26,400
Steel of Can. . .	6	1940	6.62	95	92	93½	..	93¼	92½	6,900
Wayagamack . . .	6	1951	8.02	87¼	75	..	75	77	..	500
War Loan (1925)	5	1925	6.28	95.75	92.00	95.10	95.00	95.00	94.50	27,400
Do., (1931) . . .	5	1931	5.89	95.25	90.75	93.10	93.00	93.25	92.50	9,600
Do., (1937) . . .	5	1937	5.23	98.50	94.50	97.65	97.50	97.75	96.75	48,600
Victory (1922) . . .	5½	1922	5.76	99.50	96.62	99.55	99.45	99.50	99.00	109,650
Do., (1923) . . .	5½	1923	6.19	99.00	95.50	98.45	98.40	98.55	97.00	247,550
Do., (1924) . . .	5½	1924	6.57	98.50	94.25	96.70	96.60	96.75	96.20	149,450
Do., (1927)	5*	1927	5.78	99.12	95.25	98.55	98.45	98.50	98.00	51,400
Do., (1933) . . .	5½	1933	5.82	99.00	95.12	97.25	97.20	97.40	97.00	531,800
Do., (1934)	5½	1934	6.03	96.12	92.25	95.00	94.95	95.15	94.20	414,950
Do., (1937)	5½	1937	5.57	100.50	96.50	99.20	99.15	99.40	99.00	$17,200

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Our June Investment List Is Ready

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Financial conditions were never more favorable for the purchase of such securities. Well secured and with high interest yield they constitute a particularly attractive investment opportunity.

May we send you our list of suggestions? A post card request will bring it to you by return mail.

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CIVIC AND PROVINCIAL FINANCE

WESTERN ISSUES HOLD INTEREST OF BOND MARKET

Winnipeg Watches to Gauge Prospects for the Future

BONDS ON PRAIRIES

Western Farmers Have Not Been Large Buyers of These Securities—Affairs of Some Municipalities Improved

From Our Own Correspondent.

WINNIPEG.—The probable distribution of both Manitoba's and Edmonton's latest bond issues is being watched with considerable interest as an indication of the investment capacities of the West at the present time. The Manitoba Free Press expressed the hope that Western investors will take a very considerable portion of these issues, particularly in view of their attractive returns. Edmonton's new bonds are available at 99 giving a yield of better than 7 per cent. over a period of twenty years. Manitoba's new 6 per cents are being offered here at 98.29, yielding 6.15 per cent. over the twenty years.

"The only point of interest to Western people will be what proportion of these bonds remain in the West, and how large a proportion are taken by the people of the East who have been fully educated in the wisdom of securing issues of this character," says the Manitoba Free Press.

Edmonton more recently has been borrowing in the United States so that this test of the Canadian investment market becomes increasingly interesting.

"The residents of Western Canada are unlike the people of France or even the people of Ontario where those who earn have learned not only how to save but also how to invest," was one of the Western newspaper comments. "The number of bond buyers in the prairie provinces is proportionately much less than the number in the prosperous centres of continental Europe.

"What is asked for in connection with this issue of Edmonton bonds is not out of the way. Edmonton would like to find in the prairie provinces one thousand buyers for its debentures."

Western bond dealers are making an energetic canvas for the two Western issues now on the market, and it is known this early that the West has shown considerable absorptive powers but it is not believed that a heavy proportion of either issue can remain in the West at the present time, for the reason that the West is lacking in investment funds at this season. The agricultural situation is too well known to need comment but it will be realized that because of the drastic deflation in all agricultural values that the West just now has no store house of surplus funds for long-term tie-ups.

Edmonton's Outlook

Edmonton's bond sale will be accepted as an interesting commentary upon the civic position to-day. J. H. Gundy, of the firm of Wood, Gundy & Co., Toronto, spent some time in Edmonton before arranging to take over and distribute the present issue. While there he is reported to have discussed all phases of civic finances with C. J. Yorath, who is now in charge of this department of Edmonton's municipal business. Mr. Yorath is a recognized expert in city management, is in fact one of the best authorities on municipal affairs in West.

Edmonton has made a number of changes in connection with its administration. While there is no doubt in the minds of Western peoples with reference to the great future importance of Edmonton, with its tremendously rich hinterland, "it is conceded" in the opinion of the Manitoba Free Press, "that the period of development into a considerable city may be longer than optimistic people at one time believed."

Edmonton's assessment has been reduced from $190,000,000 to $80,000,000 and the city's annual outlay has been scaled down to well within the receipts from taxes.

Alberta's Position

The financial outlook in Alberta is gradually clearing as the result of the recent legislation, which gives the Provincial Treasury Department jurisdiction over sale of provincial bonds. The $2,400,000 30-year 6 per cent. issue of the Lethbridge Northern Irrigation District, awarded to Wood, Gundy and Company and the Dominion Securities Corporation during the past week, is virtually a provincial issue as the bonds carry the guarantee of the province. This issue is part of a total of $5,400,000 bonds authorized, but the Hon. C. R. Mitchell stated prior to the sale of the bonds that only $2,400,000, was being put out at this time as the government considered that this amount would be sufficient for the first year.

Athabasca's Affairs

A straightening out of the financial tangle into which the town of Athabasca has fallen is more probable now that the Alberta government has assumed a measure of responsibility. Under the terms of the legislation passed at the recent session, the government may advance to the official administrator of any municipality in financial difficulties a sum, not exceeding $20,000 in any one year, with which to meet the municipal liabilities, taking such securities therefor as may be available.

The bondholders will, however, be expected to compromise the rate of interest. In the case of Athabasca, it is understood that negotiations on that basis are pending, and when an agreement is reached the provincial treasury will furnish funds with which to pay overdue charges. The town's debenture indebtedness is $165,000, incurred for waterworks and other improvements during a boom.

A LESSON IN HOUSING

London's Experience Has Not Been A Happy One

LONDON.—The housing situation remains as acute as ever and there is not a modern home to be rented in the city. As a result of the scarcity the Housing Commission which had 57 homes on its hands recently has reduced the number to 29 and more are expected to be unloaded shortly. The 'housing shortage is proving a boom to the city this way, but will probably be a long, long time before house building is again attempted in such a manner. The people have learned their lesson and the counsel of experienced business men who previously drew attention to the dangers connected with the housing scheme, will in future be listened to.

NEW RULE OF THE ROAD

Means Extensive Changes for B. C. Electric System

Because of the adoption of a new rule of the road—right instead of left—extensive changes will have to be made in the rolling stock of the B. C. Electric Railway System. What is being done consists of opening up the blind slide of the front and rear platforms, opposite the steps used in alighting and entering. This former solid side is being ripped out and slats will be installed temporarily. One step also is being placed on the blind side. A second step will be placed later on, but not until the trackage and other street operating changes have been made. It is stated that driving and motor conditions on the cars need not be changed to any great extent, the principal changes being those to provide for receiving and discharging passengers from the vehicles under the new conditions. In many instances the seating conditions of street cars will be completely reversed when the time comes for driving to the right.

CANADA'S EXTERNAL TRADE

Imports of Luxuries Reduced—Exports to United Kingdom Low

While Canada's adverse foreign trade balance is still noticeable in the reports of the Dominion's external trade for the twelve months ending April, a curtailment of importation of non-essentials and luxuries is evident. Of the 53 articles listed as imports, an increase is noted in 29. Coal and metals making up the bulk of these, while vehicles, tobacco, wool and silk indicate a substantial shrinkage in value. A total of $98,615,000 increase in imports over 1920 figures is recorded for the period.

Exports show a decrease of $48,000,000, the principal reductions being in animals, clothing, textiles, flour and steel. In some cases the falling off amounts to fifty per cent. Asbestos, wheat and paper record increases. Trade with the United Kingdom continues to grow in favor of the Old Country and to the disadvantage of Canada, due to the effect of the relatively appreciated Canadian dollar. Exports to Brazil continue to show a decline that has been noticeable for the last few years, though an increase of $1,740,000 is recorded in exports to the Argentine.

WANT RUSSIAN CONCESSIONS?

Canadian companies have been bidding for timber and pulp concessions in Northern Russia, according to M. Lomoff, member of the Russian Economic Council, who spoke at the recent economic congress, held in Moscow. So far, he said, Russia has received few bids for concessions.

B.C BOND MARKET HAS GROWN UNDER EXCHANGE FACTOR

Investment Demand Has Developed, Too, Right in Province

LOOK TO ENGLAND

When American Market is No Longer Available British Columbians Expect British Funds

From Our Own Correspondent.

VANCOUVER.—Millions of dollars of British Columbia bonds—provincial and municipal—as well as bonds of the Dominion of Canada and other Canadian provinces and cities have been sold on the American Pacific Coast during the past two years. The wonderful absorptive market that has been created in Seattle, Portland, San Francisco and Los Angeles for Canadian bonds has effected a marked change in the position of Vancouver and Victoria as financial centres. These two cities have developed into a bond-buying community that is possibly third to Toronto and Montreal in this division of finance.

The exchange factor has of course been of utmost importance in helping to build up the new market, as at ordinary rates of exchange it would be more difficult to offer Canadian provincial bonds at high yield rates in the United States.

Market May Fall Off

While the American Pacific market has been very much attracted by Canadian investments, there are indications that in the future it will be a more difficult matter to sell bonds from Canada in that territory. This is not due to any weakness in the Canadian offerings or to any lack of confidence on the part of the American investors in the issues offered to them. In the first place there is likely to be a gradual improvement in exchange that will necessarily reduce the U. S. A. yield on Canadian bonds. And in the second place, a determined effort is being made by some of the American bond houses and municipalities to deter investors from purchasing the Canadian issues on the ground that American municipalities are suffering from their inability to obtain funds in competition with the high yields Canadian communities are offering.

But the bond community on the coast has attained such a strategic position that the shutting off of the American market—if it should materialize at any time—would not affect it too seriously. Right here in British Columbia there is a good investment demand for bonds. Victoria probably absorbs as many bonds per capita as any other city in Canada, as it is the home of many retired business men of means, who have placed their funds in safe, sound securities. Typical of this class of individual, who forms the backbone of the British Columbia investment market, is a young man—still in his thirties—who made three-quarters of a million dollars speculating in wheat during the war. He now lives in Victoria and while he made his wealth in speculation he refuses to touch any investment now of a speculative nature and has his entire capital invested in bonds.

British Columbia, as a province, and the municipalities and bond men here are placing much hope in the reopening of the British market to Canadian issues. They feel that the time is coming very shortly when British investors can profitably buy Canadian issues, and the bond issues of the Coast are all busy working up good eastern and British connections.

Domestic Loan Postponed

For a long time there has been some talk of a domestic loan, something along the line of the Victory Loan campaigns, for the province of British Columbia, but the plan has never been worked out. THE FINANCIAL POST learned this week that the minister of finance, Hon. John Hart, has not abandoned the plan but feels that the present time is inopportune for bringing out an issue. It is possible that a $3,000,000 loan will be floated when the market improves—it may in the fall—and the funds will be used among other things for the construction of the new University of British Columbia buildings on the beautiful Point Grey site.

A. W. Aamodt, manager of Minnesota Potato Exchange, says surplus potato crop is large result of high freight rates, while market price has dropped 90 per cent. in year.

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The market place for Victory Bonds is the Stock Exchange. When your buying or selling orders are filled there, you know they have been executed at the actual market price to-day.

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Debentures For Sale

Province of Quebec
The School Commissioners of the City of Hull

PUBLIC NOTICE is hereby given that the School Commissioners of the City of Hull will receive from now up to the 17th of June 1921, at 4 o'clock P.M., at the office of the undersigned, written tenders for the purchase of debentures of the said Commissioners of the City of Hull amounting to $130,000.00 issued under a resolution moved April the 5th, 1921.

The said debentures of the par value of one hundred, five hundred and one thousand dollars each are payable the 1st day of May, 1951, and bear interest at the rate of six per cent. per annum, payable half-yearly on the first day of May and November in each year at the office of the secretary-treasurer of the School Commissioners of the City of Hull.

All tenders shall be under seal marked "Tender for Bonds," addressed to the secretary-treasurer of the School Commissioners of the City of Hull, and must specify whether the price offered does or does not include the interest accrued on said bonds at the time of delivery.

All other information will be furnished on application.

The School Commissioners of the City of Hull does not bind themselves to accept any tender.

Given at Hull this 28th of May, 1921.

The said debenture sof the par value of one

JOS. PROVOST,
Secretary-Treasurer.
Hotel-de-Ville Str., Hull, Que.

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED

DIVIDEND NO. 85.
(No Personal Liability)

A DIVIDEND of 1% upon the paid up capital stock of the Company has been declared payable on the 17th of June, 1921, on which date cheques will be mailed to shareholders of record at the close of business on the 2nd of June, 1921.

Dated the 26th day of May, 1921.

D. A. DUNLAP,
Treasurer.

DEBENTURES FOR SALE

Town of Saltcoats, Saskatchewan

TENDERS will be received up to 6 o'clock p.m. of Thursday, June 9th, 1921, for the purchase of $7,000.00—7% debentures for cement sidewalks. Debentures payable in 15 annual instalments of principal and interest. This town has never defaulted in a debenture payment.

No tender necessarily accepted.

S. G. FISHER,
Town Clerk.

Tenders on Debentures

RURAL MUNICIPALITY OF FORT GARRY.

SEALED tenders will be received by the undersigned up to 8 o'clock p.m. on Tuesday, the 14th day of June, for the purchase of the following debentures of the Rural Municipality of Fort Garry.

Construction of sewer and water main, $100,000.00, dated March 1st, 1921, 30 years, straight term, interest 6%, payable half yearly.

The highest or any tender not necessarily accepted.

DATED at the Municipal Hall, this twenty-sixth day of May, A.D. 1921.

H. D. de MOISSAC,
Secretary-Treasurer.
Fort Garry P.O., Man.

OUR GOLDEN JUBILEE
1871 - 1921
FIFTY YEARS OF SERVICE
Sun Life Assurance Company of Canada
Head Office: Montreal

UNION FIRE AND CASUALTY
Canada's *Zenith* Company
Authorized Capital - $500,000.00
WINNIPEG, MANITOBA
Underwriting
FIRE AND MARINE
Automobile - Plate Glass - Live Stock
Health and Accident Surety and Bonding

Automobile Insurance
Lowest Rates
Non-tariff
BEST SERVICE QUICKEST ADJUSTMENTS
Agencies in Provinces of Ontario, Quebec, Maritime Wanted.
R. C. SANBORN, GEN. AGENT, Eastern Canada
904 Royal Bank Building, Toronto

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Independent Order of Foresters
Furnishes a Complete System of Insurance
Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
Policies issued from $500 to $5,000.
For further information and literature, apply to
Benefits Paid 66 Million Dollars
R. MATHISON, Secretary
W. H. HUNTER, President
HEAD OFFICE - TORONTO

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
A Canadian Company Investing Its Funds in Canada
APPLICATION FOR AGENCIES INVITED
TORONTO: 20 KING ST. W. W. H. George, Superintendent of Agencies

THE MUTUAL OF CANADA DAY BY DAY
During the year 1920 the average payments in benefits of different kinds to beneficiaries and policyholders amounted to $11,500 FOR EVERY WORKING DAY throughout the year, a total of $3,492,830. Every year the payments have increased, the total made since the establishment of the company being over thirty-three millions. The funds in hand to guarantee future payments amount to forty-two millions—so that the company has either paid or holds in trust more than $75,000,000. This total exceeds the premium income by eight millions. These figures show that the Mutual Life of Canada is making good on all contracts entered into in past years. It is not only "making good," it is "making better" for the profits alone actually paid during the years since establishment amount to eight millions of dollars, a record of economy and service of which any life office might justly be proud.
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA, WATERLOO, ONTARIO
HUME CRONYN, M.P., President - - - CHARLES RUBY, General Manager

Canada Permanent Mortgage Corporation
QUARTERLY DIVIDEND
Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
SATURDAY, THE SECOND DAY OF JULY
next, to Shareholders of record at the close of business on the Fifteenth day of June.
By order of the Board.
GEORGE H. SMITH,
Assistant General Manager.
Toronto, May 25th, 1921.

INVEST YOUR SAVINGS
In a 5½ DEBENTURE of The Great West Permanent Loan Company
5½% Interest Return
SECURITY
Paid-up Capital $2,414,268.00
Reserves 1,100,000.00
Assets 6,144,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

INSURANCE AND REAL ESTATE

TECHNICAL END OF ORGANIZING SMALL COMPANY

Efficient Administration is Necessary to Success

THE POLICY LIMIT

Much Care Must Be Taken or Many Rejects From Other Companies May Be Taken in Ignorance

Recent years have seen the formation of a number of new life insurance companies. It is here assumed that the younger companies are stock companies and the problems are here dicussed from the point of view of a company starting with a capital of $100,000 and a surplus of equal amount. The stock selling and formation expenses are assumed to have been provided for over and above.

With such limited resources only a small amount of business can be written on a non-participating basis. The interest basis should not be more than 3½ per cent. The clerical force should not exceed one to each 1½ millions of business in force. Less than that number should be enough if they are reasonably efficient. In this line, as in most others, it is true that cheap labor is the dearest, and expensive labor the cheapest. When an office is large enough much of the work can be reduced to routine and some cheaper help employed, but in the early days of a company every man should be more than worth his salary.

No new company, unless it has an unusually large capital and surplus, can commence on the new level basis. Assuming the American 3½ per cent. standard, what form of preliminary term should be adopted? Bound up with this question are two others:

1.—How much business can we write?

2.—What are the maximum commissions we can pay?

A frequent question put by the officers of a new company is: How much can we insure on a single life? If they are inexperienced, a safe reply is $2,500 the first year. With such officers, mistakes are going to be made, and it is well to have them made on as small a scale as possible.

The selection against a new company, especially by the wideawake agent, is very real. If it becomes known that a new company is lax in any particular point, it will have loaded on it the rejects of the other companies. The new company is, therefore, well advised to keep its maximum low, to be severe in its selection the first year and to be especially on guard against large cases. This, however, is merely postponing the question. What rule should guide a company thereafter in retaining or re-insuring risks?

A company managed with skill, experience and vigilance can afford to take a greater risk than one less favored. Reinsurance does not pay the ceding office. It will usually be found that over a period of years the cost of reinsurance has been double the benefits received. Another important matter is the restriction imposed on the agents as to the size of the policy.

Investing in Bonds.

The average small company officer at the present time is probably buying bonds, as the safest, most stable and most remunerative investment. Real estate mortgages are unsafe at present prices, without a margin too large to be practicable. But in normal times the reverse is true. It cannot be too often repeated that the funds of a life insurance company are trust funds and that in their investment no chances should be taken.

The margins of safety discussed above deal with mortality fluctuations only. Some additional margin should be provided for fluctuations in value and losses of assets. Where these are mainly short term real estate mortgages their value does not fluctuate much provided the value of the security is not seriously impaired. Some losses in assets are probable from time to time and it must always be remembered that the conditions which produce an abnormal mortality experience are likely at the same time to affect value of assets.

It must also be remembered that losses in assets affect a small company more than a large one, and that the proportion of surplus set aside to cover this contingency must, therefore be relatively larger.

Under modern competitive conditions, the success or failure of a small company lies in the hands of its officers at the home office. Given adequate capital to begin with the requisites for success with a new company are:

1.—Proper technical and professional advice.

2.—Common business sense, resulting in efficiency and economy;

3.—Honesty;

4.—Driving power and initiative.

Experience will be gained at not too great a price as the business grows. Mistakes are inevitable, but the recuperative power of a young life insurance company is something to be wondered at.

OVER $21,000,000 IN CANADA'S FURS

More Than Three and a Half Million Pelts in 1919-20 Season

The fur-bearing animal is one of the most important of Canada's natural resources, the value of the pelts of the animals taken amounting to millions of dollars each year. The Dominion Bureau of Statistics has compiled figures showing the number of pelts of fur-bearing animals taken in Canada in the season 1919-20 to be 3,599,174, with a total value of $21,387,005. According to total value, muskrat takes first place with $6,030,303; beaver second with $5,336,067; marten third with $1,867,967; mink fourth with $1,702,232 and silver fox fifth with $957,972. For average value silver fox takes first place with $246; black fox second with $155; fisher third with $84; blue fox fourth with $69 and patch fox fifth with $63. In order of value the production for the provinces is as follows:

	Total No. of Pelts	Total Value
Ontario	834,733	$ 6,418,830
Quebec	577,731	4,587,110
Manitoba	725,421	3,130,627
Saskatchewan ..	622,485	2,338,779
Alberta	407,946	1,550,509
N.-W. Territories	154,882	1,121,026
British Columbia.	83,936	742,416
Prince Ed. Island	15,929	660,704
Nova Scotia	70,042	288,166
New Brunswick..	51,545	225,871
Yukon Territory	55,354	323,467
Total	3,600,004	$21,387,005

INSURANCE STILL GAINING

A Big Year In the United States Is Reported

Notwithstanding the financial and business depression of the latter months of 1920, that year was one of the best in the history of large American insurance companies, according to a review of the year's business in the Spectator. Two hundred and fifty companies covered by the review wrote a total of $10,332,291,925 new insurance during the year, of which $8,894,277,569 was ordinary business and $1,438,024,350 industrial business. The ordinary business was $1,4[illegible]3,451,565 higher than in 1919 and the industrial business showed an increase of $185,190,520.

The assets of 252 companies amounted to $7,390,000,000 at the close of the year, a gain of $582,000,000, while the surplus, including assigned and unassigned funds and capital now total $777,478,047, which is $51,365,771 more than was held to the credit of policyholders at the end of 1919. During 1920 the premiums alone were $1,421,304,703 or $211,877,078 over that of 1919, while payments to policyholders aggregated $763,988,692, an increase of $22,480,905.

U.S. AUTO INDUSTRY

A preliminary statement of the general results of the 1919 census of manufactures with reference to the automobile industry in the United States has been issued by the Bureau of the Census, Department of Commerce.

Reports were received in 1919 from 315 establishments with products valued at $2,387,834,000, as compared with 300 establishments in 1914 with products to the amount of $503,230,000. Of the total value of products in 1919, about 56 per cent. or $1,332,076,000 were reported by the 68 establishments located in Michigan.

The total number of automobiles manufactured in 1919 was 1,683,938, valued at $1,555,129,000, as compared with 573,039 in 1914, valued at $465,058,000, an increase of nearly three times in number and over three times in value. In 1919 the total number of automobiles included only 3,034 electric and 406 steam propelled machines, while in 1914 there were 4,669 electric and 401 steam automobiles manufactured. The $533,068,000 reported as bodies and parts in the accompanying table represents only such bodies and parts as were produced for sale by establishments engaged in the manufacture of complete automobiles and does not include the value of bodies and parts made by establishments making no automobiles.

THE COMPANY, THE INVESTOR AND THE PUBLIC

A Broad Discussion of the Public Utility Situation

FOR A SQUARE DEAL

What the Investor Demands; What the Public Should Allow and What the Company Should Give

By R. C. COBB,
Hodenpyl, Hardy & Co., Inc.

A company to successfully and adequately serve must satisfy, not only the public which it serves, but also the investor to whom it pays. Both are entitled to what is fairly their due and a little more. What is a little more? It is an earning in excess of the amount paid to the bond and stockholders—an earning to be put away by the company as a nest egg or reserve account to help out on a rainy day. This not only protects the investor, but the public as well. Both are at times inclined to be hard taskmasters, but neither one can get along without the other and both need the public servant as much as the public servant needs them. It's a hand in hand proposition, and unless it is so considered and unless all three of the parties interested co-operate the machine will not run.

What Investor Demands

The investor demands three things:

(1) Safety for the money invested;

(2) A reasonable return on the investment;

(3) A future for the property in which the investment is made.

These are the cardinal points to be borne in mind, and the investor who forgets the one while thinking of the others may regret it in the days to come. Safety for the investment means more than an earning power sufficient to pay the promised rate of return. It means an earning power of at least twice the promised rate of return, after providing for proper reserves and necessary contingencies. It means a property in good physical condition with functioning ability to satisfactorily serve. It means a management of unquestioned ability and integrity. It means, in addition to all this, a public minded to be fair to the company giving service, for without such fairness no company can succeed.

War Changed Conditions

What is a reasonable rate of return? This is a hard question to answer. In the good old days before the war, bonds bearing 5 per cent. interest and sold on a basis to return to the investor somewhere between 5 per cent. and 6 per cent. were not only marketable but were in demand. Since the war, and now, the rate of return on bonds, notes, etc., has steadily advanced so that securities of this kind cannot be sold except upon a basis of from 7 per cent. to 8 per cent. return to the investor and at a cost to the selling company of one to three points more. This of course means expensive financing and makes it exceedingly difficult to provide funds for extensions and improvements which a public service company in a growing territory is constantly called upon to make. It is hard to tell when the cost of money will be less, for money—like any other commodity—obeys the laws of supply and demand, and therefore the rate of return upon secured investments which was considered reasonable a few years ago would be to-day unreasonable, and the rate which may be reasonable to-day may be unreasonable to-morrow. However, if the signs do not fail, the high cost of money will gradually recede as the days go by. It may be years and perhaps a lifetime before money gets back to the same or equivalent selling price as before the war.

Twelve Per Cent. Not Too Much

This all brings to mind the necessity of allowing public service companies to earn a greater rate of return than was considered adequate before the war. If 7 per cent. or 8 per cent. return on a company's fair value was considered adequate in 1914, surely a return of 10 per cent. to 12 per cent. is none too much at the present time. This is something the rate making authorities and the public should recognize and allow. Increased costs cannot be paid unless there is sufficient increased revenue.

There has been, and still is in some quarters, much talk about so-called watered stocks and inflated securities—and by some all of the ills and sicknesses of traction and other public utility properties are charged to this account. Generally speaking, this is untrue. I should be surprised to f
—in fact I know it could not be fo
—that the securities issued and
day outstanding exceed in a lar
measure the real value of the prope
ties themselves. Watered stocks (so
called) have had little if anything to
do with the breakdown or embarrass
ed position which many of the street
railway companies have found themselves in during the past few years. The facts are that a majority of the companies were not earning a fair return on their actual physical value for several years prior to the war, and then stricken by the sudden increased costs for labor and materials they were unable to stand the strain. There are many cases of companies not even earning on their assessed taxation value. It makes little difference to the public whether 5 per cent. or 10 per cent. is paid to the stockholder in the way of dividends if the public knows that only a fair and equitable return is being earned on the real value of the property in question.

The future of a property should be considered by the investor as much as the immediate safety of his investment and the present rate of return, for if a property has no future it will

Continued on page 15.

Western Assurance Co
Fire, Marine, Automobile, [illegible] Riots, Civil Commotions and [illegible] Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets Over - - - [illegible]
Losses Paid Since Organization - - - $77,000,000
BOARD OF DIRECTORS: W. R. Meikle, President; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets over - - - [illegible]
Losses Paid Since Organization, over - $47,000,000

The Western Empire Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH
Managing Director

THE NORTH EMPIRE FIRE INSURANCE CO.
Head Office - WINNIPEG
Toronto Office: 216 Confederation Life Building
J. E. HOUNSOM, *Manager*
Thompson, Dale & Power, Ltd., Toronto *City Representatives*
Foss & Smith, Ltd., Winnipeg *Western General Agents*
W. Mayne McCombe, Montreal, *General Agent*
(Policies guaranteed by the London Guarantee and Accident Co., Ltd.)

The Bank of Nova Scotia
DIVIDEND NO. [illegible]
NOTICE is hereby given that a Dividend at the rate of four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending June 30th, and that the same will be payable on and after Saturday, the 2nd day of July next, at any of the offices of the Bank in Canada.
The Stock Transfer Book will be closed from the 16th to the 30th proximo, inclusive.
By Order of the Board.
H. A. RICHARDSON,
General Manager.
Halifax, N.S., May 17, 1921.

Dividend Notice
Canadian General Electric Company, Limited
COMMON STOCK DIVIDEND NO. [illegible]
NOTICE is hereby given that a Quarterly Dividend of two per cent. for the three months ending the thirtieth day of June, 1921, being at the rate of eight percent. per annum, has been declared on the Common Stock of the Company.
The above dividend is payable on and after the first day of July 1st, 1921, to Shareholders of record at the close of business on the fifteenth day of June, 1921.
By Order of the Board.
W. H. NESBITT,
Secretary.
Toronto, May 30th, 1921.